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FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Typhoid: Captain faces charge
The master of the Russian cruise ship *Arcturion* which four people thought to have contracted typhoid will appear in a special court at Gravesend on Saturday after the ship docks at Tilbury.

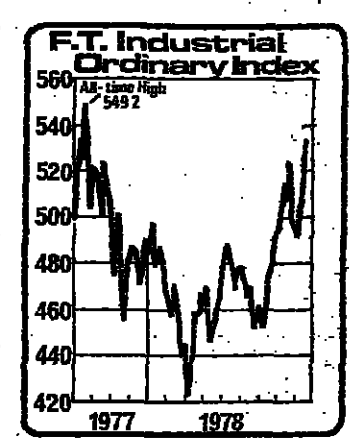
The Port of London Health Authority said he would be charged with failing to notify the health authorities of the presence of a typhoid case on board when the ship docked at Tilbury on August 19.

A fourth typhoid victim from the ship's last cruise has been named and a fifth is "probable". Some of the passengers reported being ill on the ship yesterday but they stayed on board as the ship sailed for the K.

BUSINESS

Equities up 7.9; Gilts rally

● EQUITIES continued to advance, encouraged by the Price Commission Index and



provisional estimates for industrial production. The FT Industrial Ordinary Index closed 7.9 up at 543.7.

● GILTS improved and the Government Securities Index closed 0.33 up at 70.73.

● DOLLAR traded nervously, showing substantial losses against major currencies. Its trade weighted average depreciation widened to 9.2 (8.7) per cent. The Canadian dollar rallied to close at \$61.02 (\$59.97) U.S. cents.

● STERLING rose 1.6c to close at \$1.9615. The pound's trade-weighted index rose to 62.9 (62.8), its highest level since late July.

● GOLD rose \$2 to close at \$210.7. The New York Comex September settlement price was \$211.50 (\$207.30).

● WALL STREET closed 6.84 down at 309.60, after rising to 312.29. The fall was due to worries about the weakening dollar and the Camp David talks.

Liberalism seek sanctions probe

David Steel, Liberal leader, has called for a public inquiry into alleged sanctions-busting. He told a party assembly in Blackpool there was a clear case for the inquiry, "and not just the resuscitation of certain old company officials." Back Page and Page 7.

Rank project

The UK is to spend £60m over the next two years on the project definition phase of a battle tank to replace the Chieftain. The work will be done without collaboration from any of Britain's NATO partners, though his is not ruled out at a later stage. Back Page.

Smith arrests

Thameside police have arrested at least 300 members of Joshua Vokono's ZAPU party since Prime Minister Ian Smith announced a "form of martial law" on Sunday, according to the party. It said further arrests were expected. Page 5.

Dissident can go

Sergei Polakovsky, who has emerged recently as a leading Russian dissident, said in Moscow he had been given permission to leave the country. Page 2.

Floods cholera

Mass inoculations have been ordered in flood-ravaged regions of India following outbreaks of cholera and gastro-enteritis. Cholera has been confirmed in at least one northern city and gastric illness has killed 14 people in West Bengal. Page 5.

Tories ahead

A Gallup Poll in today's Daily Telegraph shows the Conservatives with a 7 per cent lead over Labour, the third poll in a week to suggest that the Tory lead is increasing.

Soccer shock

Nottingham Forest secured the shock result of last night's soccer matches when they beat Liverpool 2-0 in a European Cup first round, first leg match. In other European matches, Arsenal and West Bromwich won, Ipswich drew and Manchester City lost.

China seize

Nine Chinese men have been arrested after hijacking a Chinese junk and forcing the crew to sail to Hong Kong.

Briefly...

New Zealand general election will be held on Saturday, November 25.

Sixteen Glasgow workers have won £338,811 on Littlewoods' pools.

Milan police arrested Corrado Alunni, wanted in connection with the kidnap and killing of former Italian Prime Minister Aldo Moro.

Thousands of Beirut citizens staged a one-day strike in protest at the Syrian bombardment. Page 5.

Challenger Viktor Korcholov won the 21st world chess championship game. Champion Anatoly Karpov now leads 4-2.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES	FALLS
Treasury 12pc 1980s £102 + 1/2	Eschsch 12pc 1980s £994 + 1
Eschsch 12pc 1980s £994 + 1	Rockwell and Wilcox 146 + 6
Rockwell and Wilcox 146 + 6	Bank of Ireland 448 + 28
Bank of Ireland 448 + 28	British Sugar 147 + 5
British Sugar 147 + 5	Common Bros. 145 + 15
Common Bros. 145 + 15	Fairview Estates 125 + 5
Fairview Estates 125 + 5	Excel Electronics 400 + 17
Excel Electronics 400 + 17	GKN 232 + 6
GKN 232 + 6	James (E) 168 + 13
James (E) 168 + 13	Lon Midland Inds. 115 + 13
Lon Midland Inds. 115 + 13	NIL Hldgs. 225 + 15
NIL Hldgs. 225 + 15	Magnat Metals 170 + 15
Magnat Metals 170 + 15	Midland Educational 96 + 7
Midland Educational 96 + 7	Midland Docks 152 + 6
Midland Docks 152 + 6	Northern Eng. 94 + 4
Northern Eng. 94 + 4	P and O Dtd. 125 + 7
P and O Dtd. 125 + 7	Plessey 189 + 6
Plessey 189 + 6	SGS Group 189 + 6

High wage awards would double price rises, warns Healey

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Mr. Denis Healey, the Chancellor, gave a strong warning yesterday that the rate of price inflation would double by the end of next year if the level of pay claims now being made—for increases of 20 to 30 per cent—was reflected in settlements.

He made clear that the Government would not hesitate to use sanctions by denying assistance to companies which broke the 5 per cent pay guidelines for the current wage round.

Mr. Healey's speech to a trade union audience in York, is likely to be the first in a series of attempts to hold down the level of pay settlements in the winter and spring. The tone was noticeably more combative than in the Prime Minister's speech to the TUC.

The urgent note of Mr. Healey's speech reflected both the warnings of Ministers about the likely importance of the pay round for Labour's election prospects, and their concern about recent claims.

The warnings closely follow Tuesday's disclosure of the Confederation of British Industries figures showing that up to 30 major claims—including an influential one at Ford Motor—are for rises of between 20 and 30 per cent.

Speaking at an Electrical and Plumbers' Trades Union conference, Mr. Healey said that settlements at these levels could mean a doubling in the present rate of price inflation (between 11 and 18 per cent) by the end of 1979, and "that is without

taking account of the consequences for sterling."

He said this would mean an end to hopes of a return to full employment by rising prices.

While any group of workers could make a case for increases of 20 or 30 per cent, if everyone got increases of this size then all the advantages would be wiped out by rising prices.

"That is why the Government had to fix 5 per cent as a limit for all settlements (with certain exceptions)."

"And this is why we have retained our power to deny Government assistance to firms which break the guidelines."

"I hope we shall not have to use this power. Last year, we used it in only a tiny minority of cases. But, make no mistake about it, we shall use it if we have to."

Our labour editor writes: Some of the largest claims have been lodged by the Transport and General Workers' Union on behalf of drivers in road haulage and the oil company petrol fleets.

Last year Mr. William Rodgers, the Transport Secretary, was involved in both sets of drivers' negotiations. This year the Government could soon be involved once more in the oil tanker drivers' claim.

They have demanded what one oil company estimates to be at least a 50 per cent increase, if their claim for a 35-hour week is included.

This confirms other recent indications that a significant part of the rise in consumer demand in the last year—up by more than 5 per cent in real terms—has gone into imported manufactured goods.

However, the Central Statistical Office's indices only go up to July. More recent evidence from the Financial Times and Confederation of British Industries surveys of business opinion for August points to an improvement in order books and expected output. This should be reflected in manufacturing production in the coming months after allowing for a possible reduction in earlier high levels of stocks of goods.

The new figures are the first to be based on 1975 prices rather than on 1970 prices, and therefore to take account of the sharp increase in the price of oil relative to other products in 1973-74. This makes a big difference now because of rising North Sea oil production.

On the old basis, the all-industries index rose by 2.1 per cent in August.

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earnings which appears to have taken place during the last phase of incomes policy, the Bank says, has restored gross pay in real terms to the level of two years earlier.

This has impeded improvement in profitability in the corporate sector which, the Bank feels, is one of the main factors influencing growth of investment and productivity. "This in turn limits the scope for further improvement in the rate of inflation in coming months, despite the recent favourable trend in raw materials prices."

In its general assessment, the Bank stresses the need for steadily rising production and exports and "a full response from productive investment" if the recovery in living standards is to be sustained.

A moderate, continuing growth of demand, if accompanied by an improvement in real profitability, could contribute to a faster and sustainable rate of economic growth in the longer run, the Bank concludes.

Details, Pages 10 and 29

Need to cut inflation 'limits growth plans'

BY MICHAEL BLANDEN

THE SCOPE for Government action to boost economic growth is limited by the need to cut inflation further and by pressures on the balance of payments, the Bank of England says today.

In its latest quarterly Bulletin the Bank shows strong concern over the apparent slow growth of productivity in British industry. It suggests that the sharp rise in imports sucked in by the consumer boom may be partly related to industry's failure to respond to increased demand.

The annual rate of price inflation, the Bank comments, has been broadly unchanged for some months, although it could edge upwards later in the year. However, "it is not only essential to prevent any renewed increase, but it must also be the aim to reduce it further."

Consent to the impact of the renewed control on the banking system, the Bank says that, if demand for bank credit continues to be strong, some borrowers in the low-priority sectors such as personal

customers "may experience difficulty in obtaining funds, at least for a time." But banks should have room to accommodate industrial and other priority borrowers.

The Bulletin stresses that pay restraint and monetary policy have a part to play. "After the painful experience of the past few years, it now seems to be widely recognised that monetary restraint and moderation in pay settlements are essential and mutually reinforcing in the control of inflation."

The main worry expressed in the Bulletin, however, is concerned with the impact of the recovery already achieved in the economy and prospects for further expansion. It points out that the major impetus has been given by the "unusually rapid" increase in real personal disposable incomes.

The growth has resulted from a rise in earnings at a rate more than double the level of price inflation over the past year. The increase of nearly 15 per cent in

earnings which appears to have taken place during the last phase of incomes policy, the Bank says, has restored gross pay in real terms to the level of two years earlier.

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Details, Pages 10 and 29

French-German currency talks

BY JONATHAN CARR

BONN, Sept. 13.

DIFFERENCES between France and West Germany over a key issue of the proposed new European monetary system are likely to be at the centre of top-level talks starting tomorrow between the two sides.

The essence of the dispute is that the French would prefer a more flexible arrangement at the core of the system, due to come into effect at the beginning of next year, while the West Germans are keen on a tougher approach.

West German Government officials do not suggest that the differences actually endanger the timetable established at the EEC summit in Bremen in July. But they are not wholly confident that agreement can be

reached at the current round of two-day talks.

The final result is important to the whole EEC since, with its tougher line, Bonn is setting very much as an unofficial spokesman for the other countries in the existing highly disciplined snake, the joint European currency float. The French position is closer to that of the British and Italians.

The delegations, led by President Valéry Giscard d'Estaing and Chancellor Helmut Schmidt, will include the finance and economic Ministers and senior monetary officials, as well as the Governor of the Bank of France.

Another important topic will be the British request to join the consortium building the new A-310 version of the European

airbus, but not actually to commit itself to buying the aircraft.

While the key disputed monetary item between the French and West Germans is highly technical, it is also one which is seen both in Bonn and in Frankfurt, seat of the independent Bundesbank, as of crucial importance.

The Germans want to see a system with a fixed yardstick against which the participating currencies would move within fixed limits. The French prefer a scheme in which the yardstick, based on a basket of currencies, would itself be continually altering.

If the latter were to be introduced, the Germans believe that

Continued on Back Page
Giscard proposal Page 2

N. Sea boost for industrial output

BY PETER RIDDELL

INDUSTRIAL output is now rising steadily, principally because of the growth of North Sea oil production and a recovery in construction, according to official figures out yesterday. However, the increase in manufacturing activity remains uneven.

The all-industries index of output between May and July was about 2 per cent higher than in the previous three

INDUSTRIAL OUTPUT

(1975=100, seasonally adjusted)

	All Industries	Manufacturing
1976 1st	100.1	99.1
2nd	101.8	101.7
3rd	101.7	101.8
4th	104.4	103.2
1977 1st	105.7	104.0
2nd	105.5	102.5
3rd	104.5	103.4
4th	104.0	102.2
1978 1st	107.2	102.7
2nd	110.8	104.3
April	111.1	104.7
May	110.0	103.1
June	111.4	105.1
July	111.8	105.1

Source: Central Statistical Office

months, while manufacturing production was only 1 per cent up, seasonally adjusted.

On a longer-term comparison, the all-industries index over the latest three months was about 5 per cent higher than in the same period of 1977 while manufacturing output was only 1 per cent up.

This confirms other recent indications that a significant part of the rise in consumer demand in the last year—up by more than 5 per cent in real terms—has gone into imported manufactured goods.

However, the Central Statistical Office's indices only go up to July. More recent evidence from the Financial Times and Confederation of British Industries surveys of business opinion for August points to an improvement in order books and expected output. This should be reflected in manufacturing production in the coming months after allowing for a possible reduction in earlier high levels of stocks of goods.

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Editorial Comment, Page 20

Massey to cut Europe jobs

MASSEY-FERGUSON, the financially-troubled Canadian farm equipment group, warned last night in Toronto that it expected to make 4,000 of its European workers redundant this year as part of a wide-ranging retrenchment.

Scottish shop stewards have also been warned that the company may have to rationalise combine-harvester production which is at present carried out in two similar plants, at Kilmarnock in Scotland and Marquette in France.

The company has started a three-month feasibility study on the future of its European manufacturing operations which is thought to be focusing especially on the combine-harvester plants.

Scottish union officials are worried that the Kilmarnock factory, which employs 1,400, is facing run-down and possible closure because production may be concentrated at one of the two factories. They fear the French plant may be favoured because it is nearer to the main European and Middle East markets.

'Serious mistakes'

BY STEWART FLEMING

TORONTO, Sept. 13.

MR. VICTOR A. RICE, newly-appointed Massey president and chief operating officer, said in Toronto that the company would be cutting back on "peripheral" activities and concentrating on its main businesses of farm equipment, diesel engines and industrial machinery.

The company hoped to cut its worldwide labour force from 67,000 to 58,000 by the end of next month making an estimated \$100m savings before tax, he said. Some of the redundancies had been announced, but many others had not. Altogether they would cost \$21m to implement.

He made no secret of his belief that the company had made serious mistakes in the past and that it now needed to do much more ruthlessly in assessing new projects.

Mr. Rice will be coming to Britain tomorrow for a two-week visit. Although pointing out that his trip was part of the company's normal system of discussing with local management their plans for 1979, he indicated that executives in the group's far-flung empire could expect to be told of the need to modify plans in line with financial circumstances.

Construction machinery plants in North America would be modified, facilities in Brazil would be closed and Italian plants would be converted to manufacture farm machinery components, he said.

He listed as a priority for Massey, which is burdened with about U.S.\$1.3bn (£650m) of debt and has only \$700m (£337m) of equity, "the generation of substantial sums of cash, part of which would be achieved by closures or disposals some of which have already been announced, but some of which have not."

Massey has just reported a \$80m (£46m) loss for the third quarter which included a \$43.5m (£22m) write-down related to the construction machinery business centred in Europe. Mr. Rice said plans were under way to centralise construction equipment operations in West Germany, and make them profitable again.

It would not be possible to sell

the division as a going concern until its broader problems had been solved, he said.

Mr. Rice, 47, who was born in Toronto and was previously vice-president of a major engineering firm, replaced Mr. Albert A. Thornborough who has been president for 22 years and now becomes deputy chairman and chief executive.

Mr. Rice referred to the company being run by a triumvirate of Mr. Thornborough, Mr. Conrad Black, the recently-appointed chairman, and himself, although there is speculation in Toronto that Mr. Thornborough has been ousted from day-to-day control.

Our Glasgow correspondent writes: Union officials at Massey's Kilmarnock plant believed that decisions to rationalise combine-harvester production had already been taken, said Mr. Tom Dougan, Scottish regional organiser of the Amalgamated Union of Engineering Workers.

The company had been unable to give any guarantee of full employment beyond October at Kilmarnock, which is at present working two weeks in four because of lack of demand.

Kilmarnock shop stewards met Mr. Bruce Millan, Scottish Secretary, earlier this week when he told them that he had been assured by the company that the feasibility study was genuine and that no decisions had been taken.

Mr. Millan said later that if the company came up with a proposal which required Government assistance, Ministers would be "very ready" to consider it.

It is understood that the stewards are drawing up plans to commission their own independent study into the viability of the Kilmarnock operation.

They have had preliminary talks with government officials about the possibility of aid towards the cost of such a study.

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EUROPEAN NEWS

Portugal Government facing rejection

By Our Own Correspondent
LISBON, Sept. 13.

IT NOW seems probable that Portugal's two-week-old government of independents will fall from office on a parliamentary motion of rejection scheduled to be voted on today. The Conservative (CDS) have given strong indications in the debate on Prime Minister Alfredo Nobre de Costa's programme began earlier this week that they will team up with the Socialists to ensure the absolute majority of 132 votes needed in the 263-seat House to defeat the presidentially-backed Government.

Socialists appear more disposed to seeing the Cabinet swept out of office than they did when the party tabled its rejection motion on Monday.

For the Government to be defeated, the Socialists would need to combine either with the Conservatives or the Communists in the balloting. The largest opposition party, the centre-right Social Democrats, have indicated that they will not obstruct the Government's chances of staying in office.

Communists, Socialists and Conservatives each tabled separate rejection motions on Monday in what was seen as a concerted party political challenge to President Antonio Ramalho Eanes, who has flown to the face of party opposition to appoint a Government of technocrats without party support.

The Prime Minister has given Parliament a programme which differs little from those of the preceding two Socialist governments and has said he will govern creatively if the parties give him the chance.

Although early general elections are a strong possibility should the present government fall, the President has indicated that he will not call a snap election before the September 20 deadline.

The present crisis opened nearly two months ago when the ruling Socialist-Conservative alliance broke up in a row over farming and health policies. A month of negotiations failed to produce an alternative arrangement, and the President, anxious of economic problems, appointed an independent as Prime Minister. He offered him Presidential support to form a new Cabinet.

This drew unanimous disapproval from the politicians, who claim Western democracies are not run in this way.

Dissident to leave the Soviet Union

By Our Own Correspondent

MOSCOW, Sept. 13. PROFESSOR SERGEI POLIKANOFF, a nuclear physicist who recently emerged as a leader of the dwindling band of active Moscow dissidents, said today that he had been given permission to leave the Soviet Union and would be going in about two weeks.

Mr. Polikanoff (51) joined the dissident Helsinki agreement monitoring group immediately after the trials of Mr. Alexander Ginzburg and Mr. Anatoly Shcharansky. The timely appearance in the dissident ranks of a high-ranking member of the influential Academy of Sciences and a holder of the Order of Lenin was a source of encouragement to members of the beleaguered movement.

Mr. Polikanoff said today he would be leaving for Denmark where he had worked at the Nils Bohr Nuclear Physics Institute in the 1960s and that his wife and daughter would be able to travel with him. He said he was told at the Soviet visa office that he would receive a Soviet passport and an exit visa valid for one year.

Mr. Polikanoff, who enjoyed a relatively privileged life as a respected Soviet Scientist, began his dissident career last winter when he called an unusual news conference to describe his frustration in not being able to take his family with him on an extended trip abroad for scientific work.

The news conference led to his expulsion from the Communist Party and subsequent administrative retaliation. He subsequently became more active in the dissident movement, meeting Dr. Andrei Sakharov, the Nobel Peace Prize winner, joining other dissidents outside the courthouse where political trials took place and finally joining the Helsinki group.

Irish fishermen to defy herring ban

By Our Own Correspondent

DUBLIN, Sept. 13. IRISH FISHERMEN plan to defy a Government and EEC ban on herring fishing in the Celtic Sea from October.

The Irish Fishermen's Organisation said today they would resume fishing from that date with a self-imposed "quota" of 3,000 tons.

The fishermen are angry at what they said is a lack of response by the Minister to their proposals on fishing policy and by what they claim is "arbitrary" breaking of the ban by Dutch boats.

The fishermen said they hoped any action over their defiance would be taken in port rather than using the Irish naval service to arrest them at sea.

Improvement confirmed in Italian inflation rate

BY PAUL BETTS

ROME, Sept. 13.

THE IMPROVEMENT in Italy's underlying inflation rate was confirmed here today by official figures showing that consumer prices increased by only 0.4 per cent last month compared to July.

This is the lowest monthly increase in the past year, and on an annual basis represents an inflation rate of 11.9 per cent. Earlier this year, the annual rate was as high as 25 per cent.

Traditionally, August has seen a slowing down in the inflation rate but the latest figures represent tangible evidence that the monetary authorities have succeeded in curbing inflation.

The target of Sig. Giulio Andreotti's minority Christian Democrat government is gradually to reduce inflation to single figures by 1980.

But, under increasing pressure to stimulate the economy, the Government is seeking to introduce a three-year economic recovery plan to guarantee what it calls "stable growth."

It is attempting to win all party and trade union agreement before the end of this month for the introduction of a series of wide-ranging measures to contain Italy's expanding public sector and the continuing rise in labour costs.

The improvement in Italy's economic situation results from a number of factors, including favourable effects of the fall in the dollar and the marked reduction in the country's trade deficit after a decline in imports and increased export performance.

But the design team, with EEC approval, has already placed contracts for long-lead-time engineering for the experimental apparatus itself. Firm contracts amounting to about 3m European units of account have been placed.

When all stages of these contracts are released, their value will total about 12m u.a. A wide range of European engineering companies is involved.

Specifications for other major components, such as the mechanical structure, and the poloidal coils and transformer core, have been issued to industry. These contracts, when placed, will bring the amount of cash committed to about 30m u.a.

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Applications to EEC region fund show rise

By Giles Merritt

BRUSSELS, Sept. 13.

AN ENCOURAGING increase in the

AMERICAN NEWS

Fed wins limited backing for reserve changes

BY JOHN WYLES

NEW YORK, Sept. 13.

THE FEDERAL RESERVE BOARD has failed to persuade the House Banking Committee to endorse a major extension of reserve requirements to embrace all U.S. depository institutions.

While legislation approved by the banking committee secures some of the Fed's objectives of subjecting all commercial banks and thrift institutions to wider reporting requirements, the banking committee has snubbed its request for a universal reserve requirement. Moreover, the Fed's proposal to pay interest on reserves lodged by depository institutions has no place at all in the proposed legislation.

Appearing before the committee at the end of July, Mr. William Miller, the Fed's chairman, argued that the decline in Fed membership which has reduced the proportion of U.S. banks belonging to the reserve

system from 51 per cent in 1950 to less than 40 per cent.

He claimed that a universal reserve requirement would reduce the competitive disadvantage between banks and other depository institutions and would lay the basis for more effective monetary control.

While the Bill, which is expected to be approved by the full House, extends reserve requirements to cover more commercial banks, it imposes an exemption limit which will, in effect, reduce the total reserves to be lodged with the Fed.

Thus reserves currently deposited with the Fed cover about 73 per cent of deposits in the U.S. banking system but the Bill would lower the percentage to 68 per cent. Under the Fed's own proposals the proportion of total banking deposits covered by reserves would have been about 78 per cent.

Nevertheless, if the legislation

is passed by Congress in its current form nearly 300 banks which are currently outside the system would be compelled to deposit reserves with the Fed.

The Bill would replace five different reserve requirements on current accounts with just one, which would range from 6 to 8 per cent. All banks would be exempt from reserve requirements on the first \$50m of current and savings deposits and the first \$50m on certificates of deposit. The Fed had sought a \$25m exemption.

It remains to be seen how much effort the Fed will put into trying to win backing for its original proposals in the Senate whose banking committee will shortly consider a Bill tabled by Senator William Proxmire, its chairman. The Bill would extend a reserve requirement to all depository institutions but does not provide for the payment of interest on these reserves.

Maryland Governor defeated in primary

By David Buchanan

WASHINGTON, Sept. 13.

THE BIGGEST political upset in the primary elections, held yesterday in 14 states and the District of Columbia to select party candidates for the general elections on November 7, came in the corruption-plagued state of Maryland, where the acting governor, Mr. Blair Lee, was trounced by a rank outsider.

Mr. Lee was evidently tarred by association with a former governor, Mr. Marvin Mandel, who was convicted of corruption. By contrast, the victor in the contest for the Democratic nomination for the governorship, Mr. Harry Hughes, had portrayed himself as a "Mr. Clean" at the start of his campaign by resigning as state Transportation Secretary because of pressure to award contracts to the Baltimore underground railway to political favourites.

The governors of New York and Connecticut, Mr. Hugh Carey and Mrs. Ella Grasso respectively, each secured a Democratic nomination for another term. Mr. Lee and Governor Dolph Briscoe of Texas are the only state governors to be ousted in primaries this year.

The well-heeled politicians of Florida have fought a lavish campaign for the party nomination to succeed the Democratic governor, Mr. Reuben Askew. A drug-store millionaire, Mr. Jack Eckerd, won the Republican primary. But, despite the expenditure of some \$6m by seven candidates in the Democratic primary, no clear victor has emerged and a run-off will be held next month.

Primaries were also held yesterday in connection with six Senate seats and 100 places in the House of Representatives. A sign that corruption charges, if unproven in court, do not always spoil the end of a political career came with the Republican primary victory in a House district of a former senator, Mr. Edward Gurney of Florida, who had been indicted for and then acquitted of bribery.

In Minnesota, Senator Wendell Anderson won the Democratic nomination for the Senate seat he has held since the elevation of Mr. Walter Mondale from it to the vice-presidency, while Representative Donald Fraser looks likely to win the Democratic nomination for the Senate seat held previously by Mrs. Marie Humphrey, the widow of the previous incumbent Mr. Hubert Humphrey.

Fighting spreads in Nicaragua

BY JOSEPH MANN

HEAVY FIGHTING erupted today in Leon, the second largest city in Nicaragua, and along the border with Costa Rica, as guerrillas and young rebels renewed attacks on Government troops.

A resident of Leon, a city of more than 50,000, said by telephone this afternoon that the city was in chaos. National Guardsmen fought off rebel attacks with armoured cars and heavy automatic fire, while aircraft machine-gunned parts of the city. Some youths were looting and burning while others fought Government troops.

Flights out of Managua, the capital, are heavily booked. Some sections of it were littered with the bodies of dead soldiers and civilians. An American pilot, who works in the area, reported yesterday that a National Guardsman shot and killed an injured

provincial town of Masaya late yesterday, but continued to fight rebels this morning in Estal and Chinandega.

Witnesses returning from Masaya said that National Guardsmen were burning heaps of bodies. The centre of the old colonial city was virtually destroyed by fires, straining cannon fire and bombs.

One woman told me that soldiers broke into homes in search of rebels, sometimes shooting down doors before asking residents to open.

This morning, entry to Masaya was forbidden, and refugees capital, are heavily booked. Some sections of it were littered with the bodies of dead soldiers and civilians. An American pilot, who works in the area, reported yesterday that a National Guardsman shot and killed an injured

woman as the pilot was trying to pull her to safety at the scene of the fighting.

The Red Cross had no figures on casualties, but mass graves were dug yesterday in Masaya and Leon for cadavers which had been unattended since fighting began on Saturday night.

Left-wing guerrillas and young rebels initiated uprisings in the capital and four other cities on Saturday night and, so far, the government of Gen. Anastasio Somoza has brought only two cities back under total control. Rebels in Estal and Chinandega are still offering heavy resistance.

The general strike called against the government on August 25 remains strong in rural areas but showed signs of weakening in Managua. Those worst affected by the strike are

poor and lower-middle class workers whose income has stopped since the strike began.

Residents of Managua today flocked to food stores and petrol stations as a wave of nervous buying continued.

David Buchanan adds from Washington: The State Department today supported a call by some Latin American countries for the Organisation of American States to examine ways in which it might mediate in Nicaragua.

The Department denied that the Administration had any part in the alleged dispatch of U.S. mercenaries to fight for the Nicaraguan government. The Justice Department is investigating newspaper advertisements in New Mexico offering \$1,000 to people willing to fight in Nicaragua.

Petrol price rise fear over MMT

By Our Own Correspondent

NEW YORK, Sept. 13.

A REFUSAL by the U.S. Environmental Protection Agency to allow the continued sale of a petrol additive has brought strong warnings from the oil industry of higher prices to the consumer.

The additive, methylcyclooctadienyl or MMT as it is known, has been used to boost the octane rating of unleaded fuel. Its continued use was outlawed by amendments passed last year to the Clean Air Act and the EPA has now refused to waive the ban which will come into effect on October 27.

The EPA claims that Ethyl Corporation, the sole producer of MMT, failed to demonstrate that the additive would not cause cars to exceed federal emission standards.

Ethyl has claimed, however, that without MMT there will be a shortage of unleaded petrol by 1980. But an EPA official said yesterday that the country's leading refiners had told the Department of Energy that there would no shortage resulting from a ban on MMT.

However, the American Petroleum Institute yesterday strongly criticised the EPA for refusing to waive the ban before the completion of joint tests by the vehicle and oil industries.

Oil imports down by 13%

BY OUR OWN CORRESPONDENT WASHINGTON, Sept. 13.

OIL IMPORTS into the U.S. were down by an average of 13 per cent in the first eight months of 1978, compared with 1977 levels.

But figures for August show that the margin is narrowing, according to the American Petroleum Institute.

The Senate today continued its debate on President Carter's natural gas Bill. The legislation is intended to free gas shipped across state lines from federal price controls, and so stimulate production.

The administration estimates that the Bill could cut U.S. oil imports by 1bn barrels a day by 1985. Senate opponents of the Bill argue that deregulation would be inflationary, and hope

to send it back to committee or else to halt it by a filibuster. But no votes are expected until tomorrow.

The petroleum institute attributes the smaller import volume so far this year to the reduction of domestic oil stocks and to increased Alaskan production. But it notes that August imports reached the level of 8m b/d, not far behind the 8.6m b/d average of August 1977.

API does not include imports made by the U.S. Government to build up its strategic oil reserve. Alaskan production, which amounted to some 700,000 b/d in the middle of last year, has now reached 1.2m b/d, which is also the current capacity of the Trans-Alaska pipeline.

Civil Service pay reform

BY OUR OWN CORRESPONDENT WASHINGTON, Sept. 13.

PAY RISES for senior and middle-level federal civil servants would be geared to their performance, and would no longer be automatic, under a Bill passed by the House of Representatives today.

Passage of the Bill, which the Senate has already approved, is a victory for President Carter, who made reform of the federal bureaucracy one of his key campaign issues, and has continued to harp on the necessity of it.

Under the Civil Service Bill, which must now be discussed in a conference committee between the House and Senate, federal employees will sacrifice some of their job security.

Opponents of the Bill, who were backed strongly by trade unions, wanted it to include a provision to allow federal employees to participate in party politics. This is forbidden by the Hatch Act. Mr. Carter promised that he would consider separately a reform of that law.

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Doubts over austerity in Peru

BY NICHOLAS ASHESHOV

LIMA, Sept. 13.

THE PERUVIAN military government has given in to part of an austerity plan designed to meet requirements by the International Monetary Fund that Peru slash its budget deficit.

On Friday the IMF Board is due to ratify a SDR 184m standby credit to Peru.

Bankers here doubt that the concession to the civil servants will prevent the IMF from ratifying the credit on Friday, but they say that it does cast into question the ability of the military government to reach the targets set by the IMF. The efforts to cut public expenditure

may fall yet again. The law was part of an austerity plan designed to meet requirements by the International Monetary Fund that Peru slash its budget deficit.

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Peru meet its huge foreign debts repayments.

Today, the president of the state Banco de la Nación, Dr. Alvaro Meneses, left Lima for Frankfurt on the first leg of a three-week tour to seek the financing of approximately \$1bn of foreign debt payments which Peru is to make in 1979 and 1980.

The administration here hopes to re-finance about 80 per cent of its government-to-government debt during this period, and between 70 and 80 per cent of the debt to commercial banks.

LA bussing goes quietly

BY MAURICE IRVINE

LOS ANGELES, Sept. 13.

DESEGREGATION in the biggest school system in the U.S. went into a second quiet day here today.

But, as on Tuesday, many of the buses bringing white children to schools in Los Angeles travelled half-empty.

A boycott organised by school-bussing opponents had clearly reduced attendance at schools affected by mandatory desegregation.

Mr. Link Wyler, leader of the boycott, claimed that as many as 10,000 white children, mostly from the affluent San Fernando Valley, had stayed home.

The \$120m desegregation plan was scheduled to shuttle 64,000 black, white and Latin-American children between 280 Los Angeles schools.

Mr. Wyler and his allies in Bussstop, the main anti-integration group, claimed victory for the boycott. Mr. Howard

Miller, the school board president, called it a "failure".

The figure of 10,000 for the white children said to have stayed home was exaggerated, he said. But even if that number had done so, it would "have no appreciable effect on the district's plan".

In the elementary schools, 79 per cent of the estimated normal enrolment had attended, Mr. Miller said. In junior high schools the figure was 68 per cent.

School officials agree that "white flight" has been underway for months. Many parents have sold their homes and moved from the Los Angeles school district. Others have placed their children in private schools.

The worst turn-out on Tuesday, the first day of bussing, was at an elementary school in Lincoln Heights on the east side where pupils are mainly Mexican-American.

Sea Law pact probable, Waldheim says

By Our Own Correspondent

UNITED NATIONS, Sept. 13.

A NEW international convention of the Law of the Sea now appears probable, provided that Governments show goodwill and willingness to compromise, Dr. Kurt Waldheim, the UN secretary-general, said in his annual report to the General Assembly.

The current round of negotiations, which has lasted a month, is due to end on Friday. The discussions are expected to resume next spring.

Dr. Waldheim said the problems with which the conference was now dealing were: The system of exploitation of the international seabed, the powers and functions of the proposed international authority, the outer limit of national jurisdiction over the continental shelf, and delimitation of maritime areas and settlements of disputes.

Ecuadorian poll chief resigns

By Sarita Kendall

QUITO, Sept. 13.

THE PRESIDENT of the Ecuadorian electoral tribunal, Sr. Jose Baquero de la Calle, resigned his post yesterday with little more than half the votes cast in the presidential election recounted.

He had promised once again on Monday that the electoral process would be completed, and a second round held to decide the presidency contest. But Sr. Rafael Arizaga Vega, vice-president of the tribunal, has claimed, without showing proof, that there were cases of fraud in the first round in July, and suggested that all the voting should be annulled.

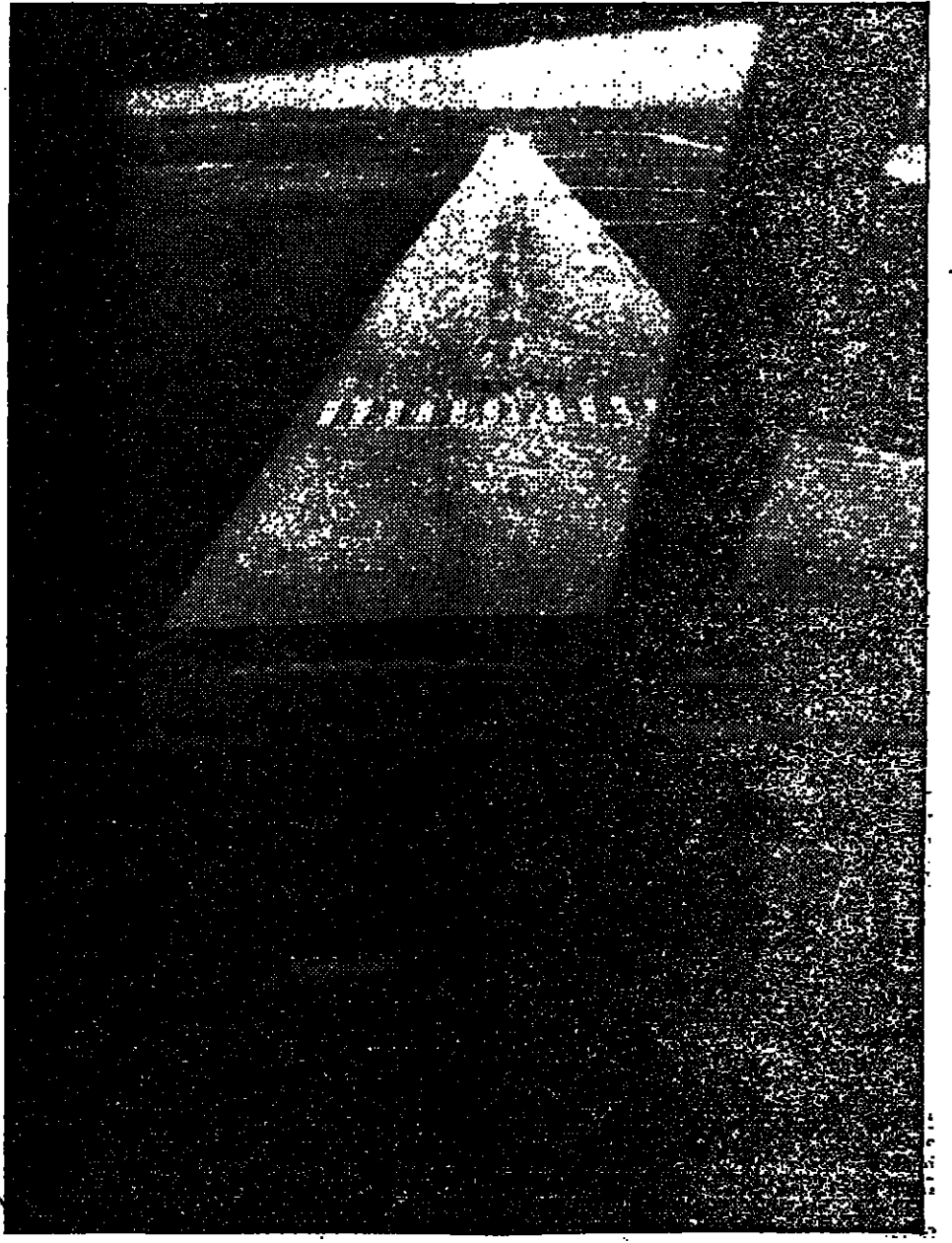
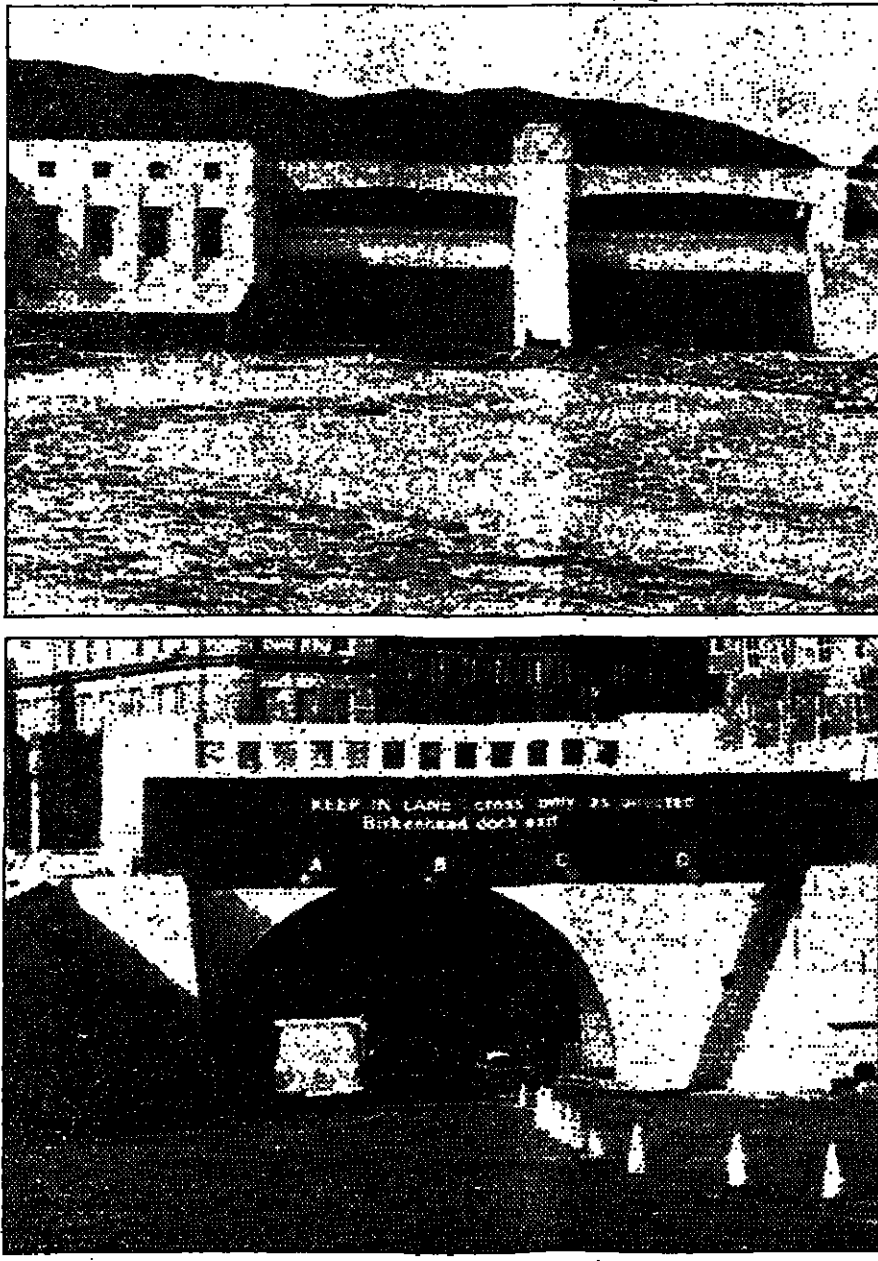
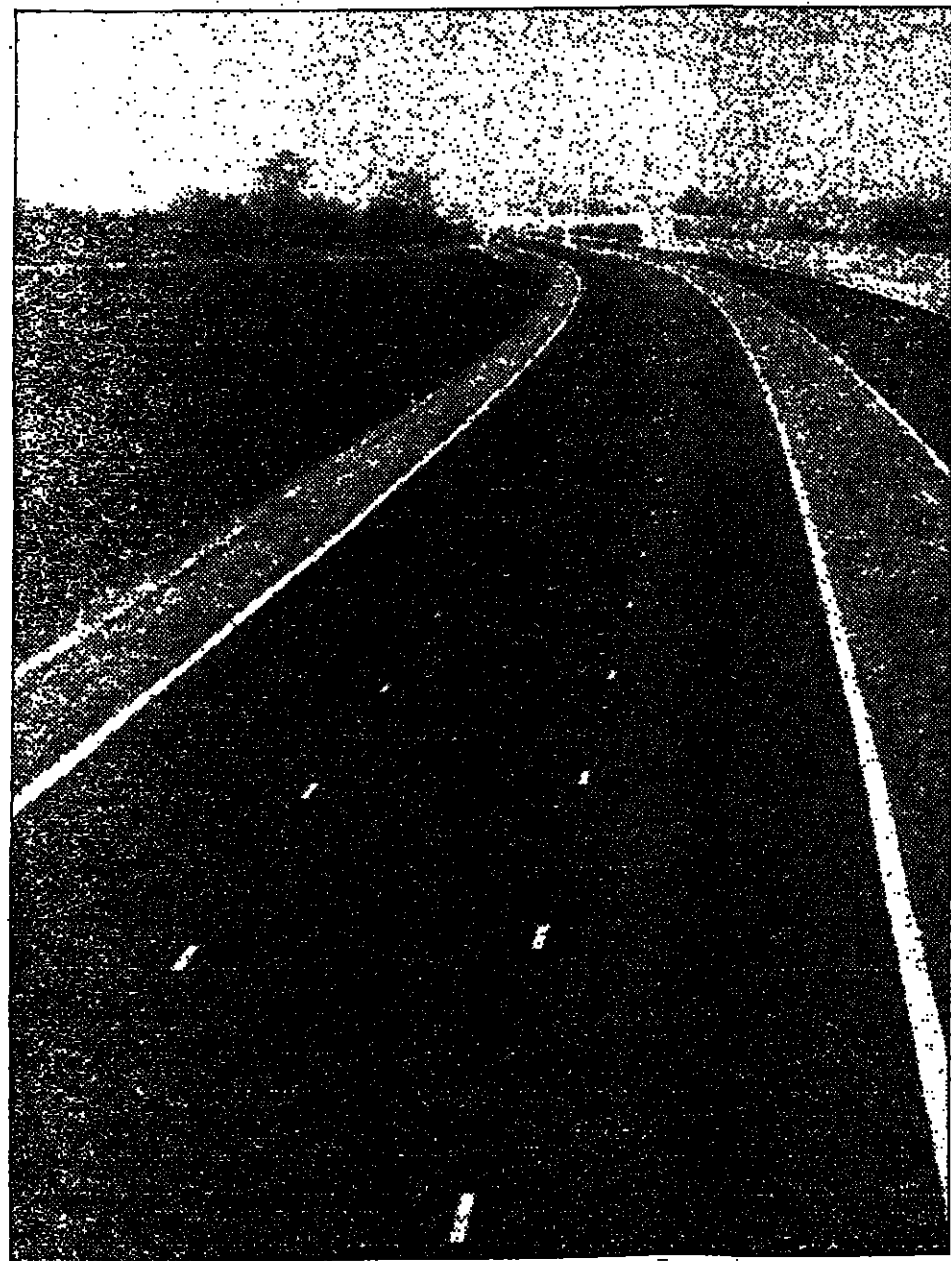
Political leaders, who have criticised the electoral tribunal for its slowness and controversial decisions, expressed concern at Sr. Baquero's resignation, saying that it increased doubts as to whether the electoral process would be completed and the hand-over by the military junta to a civilian president achieved. Sr. Jaime Roldos, winner of the first round on the unofficial vote count, but without an overall majority, has denounced a conspiracy to ignore the electoral result.

U.S. COMPANY NEWS

Keen marketing lifts Campbell Soup; Zapata to merge Canadian interests; B. F. Goodrich charged with tax violations.

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We don't need buildings to make our presence felt.



Everyone realises that the Building Materials Industry is responsible for producing the bricks and mortar of our schools, houses, factories and hospitals.

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More than many other industries, we have the figures to prove we do just that.

All in all, we consider ourselves to be an excellent example of private enterprise working for Britain.

The Building Materials Industry

A solid base for Britain's economy.

WORLD TRADE NEWS

Indonesia may buy more arms from Paris

By David White

PARIS, Sept. 13.

THE PROSPECT of a sharp increase in French military deliveries to Indonesia was brought up during a visit to Jakarta, ending yesterday, by M. Louis de Guiringaud, the French Foreign Minister.

An Indonesian military delegation is due in France soon and could finalise contracts for a variety of arms requirements, including aircraft.

M. de Guiringaud, who also visited Thailand and Vietnam, said that any agreement on arms sales had been made with the Indonesians. But the Foreign Ministry confirmed that Indonesian defence officials had presented a list of their possible requirements.

These are reported to include six Puma helicopters and three Transall military transport aircraft. Aerospace, the state-owned manufacturer, declined to comment on the negotiations.

French Puma and Alouette helicopters were already in service in Indonesia, the company said.

The helicopter and transport aircraft deal would alone be worth an estimated \$50m according to industry sources.

French newspaper reports from Indonesia also emphasised Indonesian interest in Mirage fighters made by the Dassault-Breguet group.

Army and navy contracts have also been discussed, as has the setting up by France of manufacturing facilities for light automatic weapons. The purchase of French tanks is also not ruled out.

Apart from Indonesia's interest in arms purchases, several other areas of French-Indonesian co-operation have been mentioned in the wake of M. de Guiringaud's visit, on which he was accompanied by representatives of French banks and industry.

The Renault group is reported to be about to sign a deal for Berliet heavy lorries, while French companies are seeking contracts on airport and refinery projects in Indonesia.

Reuter reports from Paris: Foreign car makers increased their share of the French car market in July to 22.8 per cent from 21.7 per cent in June.

The French Car Importers' Association said foreign manufacturers sold 31,229 cars out of 136,673 sold in July and 39,934 out of 183,949 in June.

In the first seven months of the year, foreign cars took 20.87 per cent of the French market compared with 22.19 per cent in the same period of 1977.

Leading foreign carmakers in the first seven months were Ford with 58,125 registrations, Fiat (40,923), Volkswagen (33,295), General Motors (29,507), Leyland (15,855) and Alfa Romeo (16,215).

EEC plans small increase in steel production quotas

By Giles Merritt

A BRUSSELS Commission plan for continued drastic cutbacks in EEC steel output was outlined today.

The proposals, which seek to limit total crude steel production inside the Nine to 31m tonnes for the last quarter of this year, represent the latest development of the so-called Davignon plan, the strategy for policing prices and output developed by Vice-President Etienne Davignon, the Industry Commissioner.

The new production quota allows only a comparatively small increase in output over that of the 28m tonnes targeted for the traditionally slack third quarter. A total of 33m tonnes would be for the Community market itself, which would be an increase of 1m tonnes over the third quarter, and exports would remain steady at 8m tonnes.

The Commission is forecasting that during the final 1978 quarter, real consumption in the Nine will be 29m tonnes and it expects that 3.5m tonnes of that will be supplied from EEC stocks, with the remaining 2.5m tonnes imported from outside the Community.

During the first half of this year Turkish yarn imports were more than 200 per cent higher than during the same period of last year and accounted for about 20 per cent of total UK imports.

The commission said that during the first seven months of this year British imports of yarn from Turkey had leapt to 3,772 tonnes, well above the 2,232 tonnes delivered during the whole of last year and the 2,940 tonnes ceiling set for the whole of this year under the EEC's textile limitation arrangement with Turkey.

MR. PETER GREEN, a leading Lloyd's underwriter, today urged marine underwriters to call upon governments to penalise ship-owners who break regulations.

Speaking at the International Union of Marine Insurance conference, Mr. Green said that where one-way systems are being introduced governments responsible for operating them should be urged to exercise the greatest control over them.

He said, "Some time ago I asked a member of the British Government when a ship steamed up the Channel the wrong way through the one-way traffic system, what the Government was going to do about it. This ship happened to fly the Panamanian flag and it came into the Port of London. He replied

that he didn't think the Government could do very much; if they arrested it, no British ship would ever be allowed through the Panama Canal again."

Mr. Green added that if governments would not exercise the powers they had, there was not much that underwriters could do — "other than try to push."

A number of other positive measures to aid safety were also disclosed at the conference. These included a research project being undertaken by the Norwegian shipping authorities aimed at establishing the causes of collisions and groundings.

One result of this may be a recommendation for ships to fit a "black box" data recording system similar to that carried on aircraft.

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mission of a slight improvement in the Davignon plan's prospects.

Officials have pointed to price rises on export sales, chiefly due to the U.S. market's momentum and stronger demand of late from the construction industries of the Middle East and of China.

The European Commission lacks the powers, though, to enforce its production targets. What manufacturers are reported to be observing greater discipline than earlier this year, when the Davignon plan almost collapsed as a consequence, it is unlikely that the latest quotas will be fully observed.

A major problem that threatens to destroy the Davignon plan from within the Commission itself is also expected to emerge in the coming weeks. It concerns the increasing scope of the plan's regulatory powers and there is currently speculation that these could be cutting across a degree that M. Raymond Vouel, the Competition Commissioner, would have little alternative but to investigate them for violations.

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W. Germans hopeful on Soviet deals

By Adrian Dicks

WEST GERMAN industry appears once again to be hoping for a series of major contracts from the Soviet Union, despite clear indications from the Russians that the rise of the D-mark has made severe inroads into German competitiveness.

In the aftermath of the visit paid by a German delegation headed by the Economics Minister, Count Otto Lambsdorff, to Moscow earlier this week, West German sources are expressing confidence that several very large orders will be placed or confirmed within the next few months, even if hard bargaining over prices has yet to be completed.

Among these are the long-discussed DM500m rolling mill for the Kursk steel-making complex, in which the Krupp group is concerned, the Tomsk petrochemicals project, and other planned extensions to the Soviet natural gas export industry.

Contracts worth a total of \$500m have been placed with the Swiss-based Brown Boveri group by the Canadian electricity utility Ontario Hydro, John Wicks writes from Zurich. The orders are for the delivery, assembly and commissioning of four 900-megawatt steam turbine aggregates for the Darlington nuclear power station and two 200-megawatt steam turbine aggregates for the coal-fired Atikokan power station.

Siemens has announced that a group of European electrical engineering companies — known as Consorcio European — has been awarded a DM 500m contract for the supply of hydroelectric generating equipment by the Brazilian utility Companhia Hidro Elétrica do São Francisco.

Our Bonn correspondent writes. The contract comprises 10 generator sets for the hydro-electric station being built at Itaipara.

John Laing International has been awarded the management service contract for construction of the £35m main passenger terminal building of the new Amman international airport, the company's first ever contract in Jordan, our Amman correspondent writes.

Allied Medical Group, which has administered Abu Dhabi's Al Corniche hospital since it opened 18 months ago, yesterday signed a contract, worth an estimated £10m, to run it for another two years and to add an intensive care unit, writes Maurice Samuelson.

THE SWEDISH company, L. M. Ericsson, will appeal to the Brazilian government against its decision to disqualify the company from the bidding for a \$40m contract for 50,000 SPC telephone lines in Sao Paulo.

This was disclosed yesterday by Mr. Antonio Carlos Braga, managing director of the Brazilian insurance company with which Ericsson was planning to be associated in the project.

The chances of Standard Electrica, ITT's Brazilian subsidiary — which was placed second in the bidding — have also faded with the recent disclosure by a Brazilian newspaper that Pereira

Lopes, a manufacturer of electrical household goods and ITT's leading Brazilian partner, is controlled by the Japanese companies Marubeni and Sanyo Electric.

ITT itself participates in its other partner, Brasinvest, which is a kind of merchant bank. Although the Government has not explicitly stated its reasons for disqualifying Ericsson, it is widely believed that the company was rejected because it presented a joint venture in which, although the equity was to be predominantly in Brazilian hands, the decision-making power was to be held by Ericsson.

Ericsson appeal to Brazil

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UK may be Int. Harvester base

BY KENNETH GOODING

INTERNATIONAL Harvester, the world's largest manufacturer of heavy trucks, is almost certain to use the UK for the assembly of American-designed vehicles as part of a much more aggressive approach in markets outside the U.S.

Mr. J. Patrick Kaine, president of the IH truck group, made it clear yesterday that Seddon Atkinson, the UK concern acquired for £10m in 1974, has a key role to play in the new strategy, particularly for the European, Middle East and African areas.

To start with, output of the Seddon plants at Preston and Oldham is rapidly being stepped up to cope with expected demand for new products and increased exports. From 3,000 units in 1978, output is forecast to be 5,300 next year, rising to 6,000 by 1980.

Then IH is seriously considering assembling some of its successful new S series trucks at Seddon's Preston plant from next year using a considerable quantity of UK sourced components. IH expects to sell 60,000 of the "S" series vehicles worldwide.

"It is quite conceivable that we would assemble North American truck designs with reorganisation of IH's base in England for sale in countries such as Saudi Arabia or Algeria," said Mr. Kaine. "It is also possible that Seddon could become the centre for parts distribution from all IH trucks in Europe, the Middle East and Africa. Obviously this will take additional capital investment. So we fully intend to build up the Seddon company to support the whole international truck operation in this part of the world."

IH already has considerable experience of working in the UK where it employs 6,500 at its construction equipment plants at Doncaster and Bedford as well as the 1,900 at Seddon.

IH's truck sales this financial year will reach \$5.2bn and it will sell around 90,000 units. But only 15 per cent of them will be sold outside North America. The past

performance outside America had been "less than dynamic" pointed out Mr. Kaine.

But now the trucks drive set up as an autonomous business when it was a part of the reorganisation of IH's base in England for sale in countries such as Saudi Arabia or Algeria," said Mr. Kaine. "It is also possible that Seddon could become the centre for parts distribution from all IH trucks in Europe, the Middle East and Africa. Obviously this will take additional capital investment. So we fully intend to build up the Seddon company to support the whole international truck operation in this part of the world."

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South Korea to sell cars in Europe by next year

BY CHARLES SMITH

SOUTH KOREA'S Pony passenger car will make its first appearance in western Europe early next year when sales begin in Holland and Belgium. This was revealed by the Financial Times today by Mr. Chung Se-Yung, president of Hyundai Motor which developed the Pony three years ago as the first all-Korean car.

Mr. Chung said the exports to the Benelux would be regarded as a pilot marketing venture. Sales to bigger European countries such as Britain will not start for at least another two years although Hyundai's sales with the previous month and August last year, Reuter reports from Tokyo.

Shipbuilding orders received by Japanese shipyards from foreign owners in August fell to 11,163 gross tons from 11,163 gross tons in July.

Japanese interests reached verbal agreement with China July to provide risk capital technology for oil exploration and development in the Po Gulf region south-east of Peking. It would be paid in oil if any found.

Mr. Komoto said Japan is also discussed participation in development in the Pearl River delta of South China.

He said he had also told Chinese that Japan would be prepared to increase its imports from China after current five-year agreement in 1980. Under the agreement signed last February, Japan to import 47.1m tonnes.

Kanebo and Hitachi said they had received an inquiry from China about possible purchase of two polyester manufacturing plants valued at ¥100m. AP-DJ reports. One plant would have an annual production capacity of 180,000 tons of polyester and the other plant 530,000 tons.

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OVERSEAS NEWS

Saudi minister gives warning about Camp David failure

BY ROGER MATTHEWS

CAIRO, Sept. 13.

THE Middle East peace talks at Camp David were blocked by the Arab states, the Saudi minister said, because they are bound to carry out a thorough review of the whole situation. Prince Saud al-Faisal, Saudi Arabian Foreign Minister, said here today.

The prince, speaking during a break in the sessions of the Arab League council meeting, declined to speculate on the possible use of the oil weapon as a means of putting pressure on Israel. "Oil is a resource, not a weapon," he said.

Other world leaders had a heavy responsibility for the situation in the Middle East and they, too, would have to review their positions if the talks failed. Arab countries have demonstrated that they are searching for a peaceful solution and are willing to take every risk to achieve peace. All of us are still hoping for a peaceful solution.

Other sources close to the Saudis claimed that, privately, Prince Saud was preparing for the Camp David talks to fail and had been working behind the scenes to restore a degree of Arab unity.

Mr. Mahmoud Riad, secretary-general of the Arab League, said that the prince's remarks were increasingly intransigent. So far, the Government of Lebanon had not requested a renewal of the mandate of the

Syrian-dominated Arab deterrent force, the secretary-general added. The mandate is due to expire next month. L. Daniel reports from Tel Aviv: A senior Minister resigned from the Israeli cabinet today because he said he could no longer take collective responsibility for the policies of the Begin Government.

Mr. Meir Amit, the Transport Minister, quit the coalition today to lead a new party with six other members of the Democratic Movement for Change who earlier left the coalition. His resignation will not endanger the parliamentary majority of the Begin Government, which still controls 70 of the 120 Knesset seats.

Anti-Syria strike in Beirut

BY HUSAN HIJAZI

BEIRUT, Sept. 13.

SOME Christian areas of Lebanon were affected today by a one-day general strike against alleged Syrian attempts to annihilate the Christians, and to demand the withdrawal of Syrian troops. Shops in east Beirut and in the main port of Tripoli were closed and traffic was reduced to a trickle.

Life continued as usual in the predominantly Moslem quarter of West Beirut, even though shells were fired, without causing casualties, from the Christian side in what Moslems regarded as an attempt at intimidation.

The strike was called by six church organisations in protest against what they described as indiscriminate shelling of Christian districts by the Syrian troops which make up the main part of the Arab peace-keeping force.

In the past two days, there has been a lull in the clashes here between the Syrians and the Christian militias. Tension has switched to southern Lebanon in the form of heavy artillery duels for the third consecutive day between Israeli-backed Christian militias in the border strip and Lebanese left-wing and Moslem militias in the town of Nabatieh, who are supported by Palestinian guerrillas.

Meanwhile, concern is growing over the mysterious disappearance of Imam Musa al Sadr, the spiritual head of the country's Moslem Shi'ite community. The 50-year-old Imam visited Libya on August 25 at the invitation of the Government there. The Libyan authorities said he and his party left Tripoli on August 31 on an Alitalia flight bound for Rome.

Christian newspaper and radio stations here claim the Imam, who has been the leader of the 900,000 Lebanese Shi'as for more than 10 years, is still in Libya.

Our UN Correspondent writes: Dr. Kurt Waldheim, the UN Secretary-General, said today that if negotiation and persuasion failed to bring southern Lebanon under the control of the Beirut Government, the Security Council might have to consider other measures.

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Ethiopia troops on parade

BY JAMES BUXTON

ADDIS ABABA, Sept. 13.

ETHIOPIA TODAY paraded its armed forces, and part of the enormous stock of arms it has acquired in the past 18 months from the Soviet Union, as part of the celebrations of the Fourth Anniversary of the Revolution which overthrew Emperor Haile Selassie. In terms of men and equipment Ethiopia now has the most powerful armed forces in black Africa.

Some 8,500 troops marched smartly past the Ethiopian leader, Colonel Mengistu Haile Mariam, President Fidel Castro of Cuba and General Vassily arms shipments, which began in Petrov, First Deputy Commander of the Soviet ground forces. The peak with an enormous airlift General played a major role in

co-ordinating the Ethiopian and Cuban counter-offensive against the Somalis earlier this year. The parade of equipment included some 30 T54/55 heavy tanks, large numbers of armoured personnel carriers, artillery, multiple rocket launchers and larger, trailer-mounted surface-to-air missiles. Some 15 MIG 21s and 23s flew over. None of Ethiopia's U.S. equipment, its military mainstay until last year, was on show.

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co-ordinating the Ethiopian and Cuban counter-offensive against the Somalis earlier this year. The parade of equipment included some 30 T54/55 heavy tanks, large numbers of armoured personnel carriers, artillery, multiple rocket launchers and larger, trailer-mounted surface-to-air missiles. Some 15 MIG 21s and 23s flew over. None of Ethiopia's U.S. equipment, its military mainstay until last year, was on show.

WORLD BANK ANNUAL REPORT

Guarded optimism on developing nations' prospects

BY OUR FOREIGN STAFF

THE ECONOMIES of developing countries continued to recover last year from the 1973-75 recession and the prospects for this year remain unchanged. This guarded optimism is reflected in the World Bank's annual report today, which is accompanied by warnings about protectionist pressures in the West and the growing inability of developing countries to meet their own food requirements.

The report shows that last year the growth of output in developing countries continued to outpace that of industrialised nations. While nations in the Organisation for Economic Co-operation and Development recorded a 2.5 per cent growth in gross national product in 1977, developing countries achieved a 5.4 per cent increase. That was lower than in 1976 and below the average recorded in the 1967-73 period. The bank attributes the slower rate last year to the slow down in the OECD economies.

It shows however that developing nations managed to achieve a faster growth in their exports last year than the expansion of world trade. In dollar terms exports from developing countries (excluding the capital surplus oil exporters) rose by 14 per cent while exports from low income and many of the middle income countries increased by 22 per cent and 17 per cent respectively.

The bank declares that this picture "suggests that the competitiveness of developing countries is not a transitory phenomenon but is one that is likely to continue." It adds the proviso however that this is barring increases in trade barriers.

The report says that the increase in protectionism in the West and the introduction of new quantitative import restrictions particularly on textiles and garments has caused increasing concern among developing nations who are worried about the ability of policy-makers in the West to withstand new protectionist pressures.

Some bank officials say, however, that they consider the resistance by political leaders in the industrialised countries over the past year to protectionist pressures to have been "quite remarkable." The report points out that most of the trade barriers erected in 1977 by industrial countries were directed at each other—such as import curbs on cars and steel—rather than at the developing world.

The main exception was the renewal at the end of that year of the multi-fibre agreement, which aims to clamp down on the growth in Third World textile exports.

If developing countries accelerate their export promotion efforts and the richer ones refrain from putting up more barriers against them, the bank cites an estimate that manufactured exports by developing countries could rise by \$21bn by 1985, and grow by 15 per cent a year.

The bank is encouraged by reductions may be difficult to the reduction in the overall trade deficit of non-oil producing countries, which imports may be catching up with the growth of exports and that shrank to \$12.7bn last year. This was \$3bn down on the previous year and half the averaged reversal of the recent improvement of 1974 and 1975. Rises in the terms of trade for

crease of at least \$50m tons over 1975. In June 1977 the bank made its first loan for oil and gas production, \$150m to India for the development of the Bombay high offshore field. Bank officials see this as the start of a sharp upward trend, although the bank will confine itself to developing known reserves or existing fields and will leave the riskier business of exploration to the major oil companies and private finance.

For 1978-79 the bank plans to make commitments of \$6.8bn in loans and investments. This is based on the assumption that it can get its richer member governments to agree to double its subscribed capital.

In its annual report the International Finance Corporation sets out just how important the private financial markets have become to the less developed countries. By the end of 1976, the proportion had increased from between 30 per cent and 35 per cent of the much smaller \$55bn debt in 1972. The bulk of the increase was accounted for by commercial bank lending.

The importance of the Euro-currency markets to less developed countries for financing their growth and balance of payments deficits "raises anew," the

also notes, that to continue to borrow and service their existing debt, the less developed countries need to maintain the healthy rates of GNP and export growth which have been a feature of recent years. Existing private indebtedness, it says, will mostly mature in the early and mid-1980s. Repayment or refinancing will require "even greater efforts" in the future than have been seen in the past. "If higher rates of inflation and interest rates were to emerge or if the industrial countries were to return in force to the international capital markets, then the less developed countries' borrowing would, at the least, become much more expensive.

For that reason, and because of the effects of increased protectionism, the IFC is not entirely sanguine.

Editorial comment, Page 20.

Selected Economic Indicators For Developing Countries

	1961-65	1966-73	1974	1975	1976	1977
Developing countries						
Real rate of growth:						
Total GNP	5.9	6.6	5.5	5.0	6.4	5.4
Agricultural production	3.0	2.7	3.8	5.2	3.2	1.5
Manufacturing production	8.2	9.5	6.9	2.5	8.4	—
Population	2.4	2.4	2.4	2.4	2.5	2.5
GNP per capita	3.4	4.1	3.0	2.5	3.9	3.1
Gross investment	8.0	8.2	17.0	3.4	5.5	—
Share in GNP:						
Gross investment	19.9	21.4	23.9	24.6	24.6	—
Gross national saving	18.3	20.4	26.1	23.7	25.5	—
Average annual real growth and shares in Gross National Product (GNP), 1961-65, 1966-73, 1974, 1975, 1976, and 1977 (percentages)						
— Preliminary —						

Source: World Bank

in some commodity prices, such as for beverages, fats, oils and some metals, helped shift the terms of trade with industrialised countries some 2 per cent in favour of the developing countries.

There was a further shrinking in the current account deficit of non-oil developing countries which dropped last year to \$22bn, about the same proportion of GNP as in the early 1970s.

The bank says that further

development countries. The re-

newed widening of the trade deficit of the non-oil developing countries.

The reports paints a worrying picture of the difficulties which developing countries might have in meeting their future food requirements. It quotes projections of the Food and Agricultural Organisation that food deficits among developing countries could rise to between 120m tons and 145m tons by 1990, an in-

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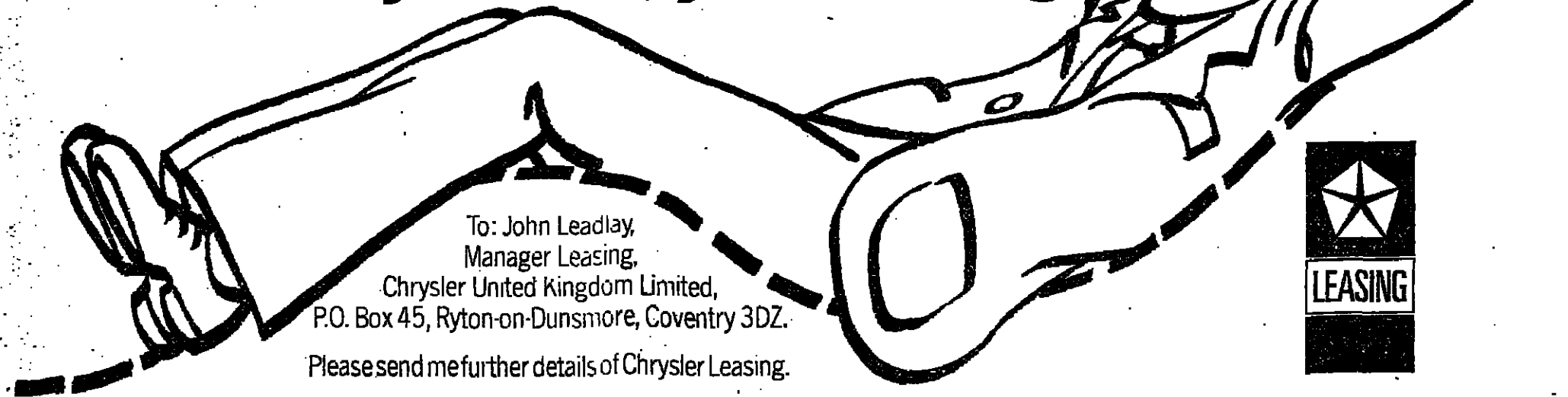
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HOME NEWS

British Airways might yet buy Airbus

By Michael Donne, Aerospace Correspondent

BRITISH AIRWAYS' managers have been told that the door is not finally closed on a possible future purchase of the Airbus version of the European aircraft, in spite of the apparent rejection of that possibility by Mr. Ross Stainton, deputy chairman and chief executive, in last week's issue of the airline's staff newspaper, *British Airways News*.

A management brief from the airline this week suggests that although the Boeing 737 is the aircraft the airline wants, conditions on its European rivals might change, so that it might need more types of aircraft than those indicated by the current long-term Boeing 737, the Lockheed TriStar for some short and medium-haul routes, the Boeing 737, and the Boeing 747.

25 years

In his article, Mr. Stainton emphasised that the airline intended to rationalise its fleet in those four basic types and said that the airline's strategy was set for as much as 25 years.

The management brief, however, appears to caution that, in the event of a change in conditions, the airline might be forced to consider other types of aircraft, such as the Lockheed TriStar, the Boeing 737, and the Boeing 747.

Firm line

The UK has made clear that, although it wants a share of the development of the A310, it cannot bring into the club a commitment from British Airways to buy that aircraft.

That has led the French Government to stand firm against allowing the UK back into Airbus Industrie, a line that Chancellor Schmidt is expected to try to soften.

Mr. Stainton's strong views may have alarmed Whitehall, which does not want anything said to unsettle what it feels is a delicate state in the long negotiations to get Britain back into Airbus Industrie.

U.S. pilots on Concorde training

Financial Times Reporter

A GROUP of U.S. airline pilots will be the first flight crew outside Britain and France to train on Concorde.

The pilots, from the American airline Braniff, begin simulator training next week at Milton, Bristol, and in France, in readiness for the new Washington-Dallas route to be operated by Braniff from November 1.

Three days a week Concorde will be flown subsonically to Texas by Braniff after its 1,350 mph dash from London to Washington.

Five Braniff men have almost completed a one-month classroom course. After 56 hours on the aircraft simulator they will begin flight training at Braniff's base, Oxfordshire, to be followed by line operation with British Airways crews on the Concorde routes to New York and Washington.

Other Braniff crews are being given similar training with Air France, the only other operator of the supersonic airliner.

Price rise index could show fall in rate of inflation

BY DAVID FREUD

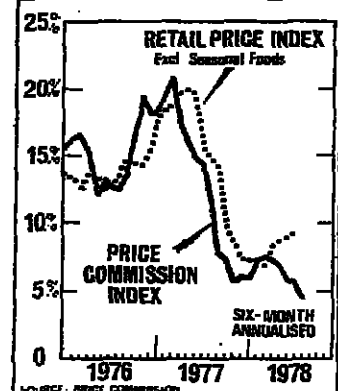
THE FIRST indication that the underlying rate of inflation could fall towards the end of the year was disclosed by the Price Commission yesterday.

The commission's index of price rises notified to it in the six months to the end of August fell sharply from the previous month's level.

The index reflects rises that will be evident in the shops in three to four months time, so if the normal relationship continues, the underlying six-month rate of retail price inflation, which has been edging upwards since March, could ease back from November.

Such an easing could mean that the 12-month rate of retail price inflation—7.8 per cent in the month to mid-July—may not accelerate in the new year as several forecasters have predicted.

The commission index for the six months to August showed a rise of 2.3 per cent, equivalent to an annual rate of 4.4 per cent.



MPs' protest likely over growth of fringe bodies

FINANCIAL TIMES REPORTER

A WHITEHALL survey of officially recognised fringe bodies is likely to lead to further calls by MPs for greater control of public bodies which are not directly accountable to Parliament.

The report, by Mr. Gordon Bowen, a retired civil servant, lists 252 such bodies established by a political decision, ranging from the BBC and the British Council to the White Fish Authority and the Race Relations Board.

In 1975, the last year for which figures were available, they spent £2,367m and their staff totalled 40 per cent of the Civil Service, including the Defence Ministry.

Mr. Philip Holland, Tory MP for Carlton, Nottinghamshire, who has campaigned in Parliament against the growth of bureaucracy, welcomed the report. He said it demonstrated the enormous growth in the number and size of bureaucratic bodies.

"It confirms my worst fears about the expansion of a corporate state."

Every year these bodies increased in size and number, and produced smaller ones under

their own patronage.

According to his own wider definition, which embraced the nationalised industry, Boards, public inquiries and the three levels of health authorities, there were about 900 "quangos" (quasi-autonomous, non-governmental organisations). These are not included in the Bowen report.

Mr. Holland said he was awaiting two further reports on "quangos." The Civil Service Department was revising its study of paid public appointments, which first appeared in 1976, and an annual report on the salaries of nationalised industry Board directors, expected last April, was also being prepared. He attributed the delay to "foot-dragging" by civil servants.

The report by Mr. Bowen, commissioned in 1975, describes the role of many fringe bodies as "government at arm's length."

Many of them are financed by grants or grants-in-aid and their chairmen and other top officials are normally appointed by the Crown or by Ministers.

Most of the fringe bodies, some 205, come under seven Departments, led by the Scottish Office (50), Department of Environment (35), Employment (33), DHSS (25), and Agriculture (17).

The 252 listed fringe bodies employ about 184,000 people. Top employers are the BBC (BA 25,000) and the Manpower Services Commission (35,000). Only 36 employ more than 1,000 people. The 48 fringe bodies with more than 500 employees make up over 90 per cent of the total employment.

The largest block of the £2,367m expenditure was accounted for by 40 bodies, each with outgoings of more than £10m. Four spent more than £100m each.

The report, based on a questionnaire to Departments, shows that the largest number of fringe bodies (31) are educational, followed by social welfare (59), economic and financial (54), industrial (46), and agricultural (28).

Their chairmen are almost all part-time.

Survey of Fringe Bodies, available on request from Civil Service Department.

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UK goods more competitive in world markets

FINANCIAL TIMES REPORTER

THE UK competitive position in world markets has improved considerably in the last three years, according to a Treasury study published yesterday.

The study, one of a regular series of Treasury background notes, found that while there was some loss of competitiveness by goods manufacture in the UK in the first quarter of this year, as sterling's effective rate rose, it was probably regained in the second quarter as the effective rate fell back.

The findings are based on the International Monetary Fund's updated series for relative labour costs per unit of output, adjusted for differences in the level of economic activity. The weights for these now relate to the pattern of trade in 1975 rather than 1970.

A study by the Bank of England, published in the June quarterly bulletin, found that the unit labour costs comparison provided the best measure of the UK's export competitiveness.

An index based on this measure shows that while competitiveness was 100 in 1970, it moved between 100 and 105 in the range of 79.9 and 91.7 in 1977.

A fall in the index indicates a gain in competitiveness.

In the first quarter of 1978, the index rose to 95.1, although Treasury estimates it fell back to 90.4 in the second quarter.

The finding are mirrored in other measures of competitiveness for import prices and relative profitability of exports.

However, the index for relative profitability of exports.

MANUFACTURED GOODS' COMPETITIVENESS

1975=100

Relative normal unit labour costs

Relative export prices

1976 1st 100.9 102.0

2nd 92.4 95.6

3rd 91.8 96.6

4th 84.9 92.3

1977 1st 88.5 98.1

2nd 87.9 101.7

3rd 88.2 103.4

4th 91.7 107.4

* Treasury estimates

British Gas drilling rig to return to Welsh coast

BRITISH GAS Corporation's exploration arm, Hydrocarbons GB, is to resume the search for oil or gas in Cardigan Bay.

The drilling rig, Offshore Mercury, now nearing completion of its sixth well on the Irish Sea gas discovery block 110/2, will go to Cardigan Bay within a fortnight to drill on one of two fifth round blocks 15 miles off the Welsh coast.

British Gas has exclusive interests in blocks 107/16 and 107/21. But it has not yet been decided which block will be drilled this autumn.

The operation will be serviced from Hydrocarbons GB's supply to its next location in the English Channel.

The rig is due to start drilling the British Gas Corporation's wholly-owned Morecambe 24-GB's sole channel concession, field. Helicopter lifts to the rig will be made from Ministry facilities at the Royal Aircraft Establishment, Abergorn on the Welsh coast.

Now, however, the CEGB will have to make a series of Solomon's judgments about where to place orders which, on present reckoning, will equal only about half the two companies' combined capacity.

Immediate

The most immediate question before the board is the contract for the boilers for the new Drax B station near Selby, which was brought forward a year ago to help the suppliers.

The lion's share of this work goes to Babcock but at the time a merger seemed likely, a share of the pipework was allocated to NEL. This division has been retained, but the contract has yet to be signed because the CEGB considers NEL's price to be much too high.

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Methil yard group making a profit

By Ray Peman, Scottish Correspondent

REDPATH DE GROOT, a London-based Anglo-Dutch joint venture which took over the yard making steel oil platform vessels, is making a profit after five months of operation, it is expected to finish its first year in the black.

This confident prediction was made yesterday by Mr. Day Waterstone, chairman of the company and of the British Steel subsidiary, Redpath Darnley Long, which previously owned the yard and wrote off £22 losses from it.

He announced a £4m order to build a deck for installation of the Beatrice field platform, the other work in progress the contract guarantees employment in the yard's 800 workers until the middle of next year.

In addition, Mr. Waterstone said, there were 13 tenders on and he expected to be able to announce significant new orders shortly.

RDL owns 48 per cent of the new company and the De Groot group a further 43 per cent. The small holdings were taken by the Edinburgh-based North Sea Assets and the Scottish Development Agency. Earlier this summer the yard won a £2m order to build a platform for Shell's Fulmar field.

During the merger last April RDL kept back some of its Methil site for its own use and it is understood that there are plans to develop this in the near future, providing extra jobs in an area of high unemployment.

De Groot's good delivery record has clearly enabled the yard to begin to live down its unhappy past, which nearly led to its closure two years ago.

Responsibility for establishing a reputation for meeting deadlines rests with the new Dutch managing director, Mr. J. S. Spoelstra, who said yesterday that much of the yard's previous failure was the result of poor delivery by sub-contractors and he intended to take a much more aggressive attitude.

In fact Redpath De Groot has already taken back several pieces of work to complete them at Methil because sub-contractors were unable to meet their promised time schedules. These include box girders which were withdrawn from RDL at Southampton, one of the three RDL yards engaged on work for Methil.

Tories back proposal to retain treasures

BY ANTHONY THORNCROFT

A PROMISE to put into law the recommendations of the Select Committee on the National Fund, which would establish an independent organisation with over £50m in revenue to retain national treasures in the country, is proposed in a Conservative Party manifesto, published yesterday.

The booklet will form the basis of the Conservative Party's attitude towards the arts should it win the next election.

A commitment to use the land fund for its original purpose could be included in the Conservative manifesto, along with plans to give the arts a voice in the Cabinet by adding the title, and the responsibility, to the Minister of Education and Science. A Minister of State might well look after the day-to-day control of the arts.

The Conservatives intend to improve the financial well-being of the arts by giving more cash to the Arts Council.

Tax reliefs would be granted to encourage private patronage and the encouragement of more and industrial sponsorship. The booklet proposes the reduction of top levels of income tax, special allowances to enable owners of listed buildings to spend money on approved works, and legislation to exempt designated assets from capital taxes.

It is hoped that individual artists could become more financially secure through private patronage.

On a practical level, the Conservatives want the Arts Council to be informed much earlier of the level of its grant. At least, lotteries are preferred to a compulsory minimum arts rate.

One area singled out for attention is crafts, and a Crafts Advisory Committee is proposed under Royal Charter. There is support for a Museum of Modern Art.

The Tories also back pressure within the EEC to exempt art objects from VAT and call for maintenance costs of institutions, such as the National Theatre to be transferred from Arts Council grants to the Environment Department or a special fund. Help for private owners through Historic Buildings Council is another proposal.

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NEWS ANALYSIS—OBJECTORS AND INDUSTRIAL PROJECTS

Shore favours more intervention

BY DAVID FISLOCK

THOSE WHO oppose major industrial developments, whether airports, petrochemical plants, coalfields or nuclear projects, will take some encouragement from statements in Manchester yesterday by Mr. Peter Shore, Secretary for the Environment. Without committing himself precisely to which projects he would consider the major important planning cases, he made clear that he favoured more opportunity for objectors to intervene in such cases.

About 5,000 inquiries are held each year into planning proposals of which a few hundred, he estimated, were highly significant to the public. Of these, two or three "concern" and affect the wellbeing of us all. But it said much for the UK's planning inquiry system. Mr. Shore claimed, that for 30 years it had managed to deal acceptably and satisfactorily with such a wide range of proposals.

Yet critical questions, seldom if ever previously asked were being raised. He offered three examples. First, had the need for the particular development been properly established? Second, had the development

MR SHORE
Not committed precisely

implications and repercussions extending beyond the direct impact of the project itself on the environment and the "quality of life." Third, did the major nuclear innovations re-

quire a special category of importance and difficulty?

These questions will arise at two forthcoming proposals for major energy development projects, both of which he intends to call in for public inquiry.

One is the National Coal Board plan to open a coalfield in the Vale of Belvoir in north-east Leicestershire, for which it recently applied for development permission.

The other is the plan, still being shaped by the electricity supply industry and the United Kingdom Atomic Energy Authority, for a 1,300 MW fast-breeder reactor, five times as big as the prototype in the north of Scotland.

Sir John Hill, chairman of the electricity industry's efforts to prepare a common policy for this project, said on Tuesday that it would not be ready to put forward plans for public inquiry before the end of next year.

As Mr. Shore sees it, they are "two very different issues," for which he suggests two different kinds of public inquiry.

For the coal project he rejects the idea of a planning inquiry

commission, a formula legislated for in 1971, and once proposed by him for the fast-breeder reactor. The Windscale public inquiry last year into the plans of British Nuclear Fuels to build a reprocessing plant has already demonstrated how the scope of conventional inquiries can be broadened.

"Of course, I realise that the conclusions reached by the inspector were not to everyone's satisfaction," (Judge Parker rejected all 17 objections to the scheme raised by its opponents.)

"But nobody, I believe, is in any doubt that the range of the inquiry was exceptionally wide, with the question of need being exhaustively considered and with the inspector being specifically asked to examine, for instance, the national interest, as well as the rightness of the particular site."

For Belvoir, therefore, he plans to ask the inspector to hold a preliminary meeting, as was the case at Windscale, though he perhaps greater scope to identify the main issues on which the inquiry should concentrate and indicate what evidence he expects to be presented.

At Windscale the inspector's request that opponents should submit a critical environmental assessment of the non-nuclear projects they were proposing as alternatives went unheeded.

Mr. Shore also endorses the idea of assessing the environmental impact of such a project, adding the warning that this sweeps in such questions as "unacceptable delays and costs of some environmental assessment procedures used in other countries," and the Government's vested interest in pursuing its industrial strategy.

For the first commercial fast-breeder reactor he proposes a more complex format: one which the electricity industry will see as fraught with opportunities for delay and confusion.

For the main inquiry he proposes a procedure akin to the Windscale inquiry for a specific site, held by an inspector and assessor. Its report would be open for public discussion.

The Special Development Order, the rather clumsy formula which had to be adopted this spring to allow Parliament to

debate the report before any Government decision was taken, would be used again.

The innovation he proposes, is that the site-specific inquiry should be preceded by a "first-stage public examination" by a committee or commission, held outside the planning inquiry system to "assess the background and need." Its report could then form a major background document for the public inquiry.

Mr. Shore makes clear that his enthusiasm for such preliminary inquiries stems from the nuclear report of the Royal Commission on Environmental Pollution under Sir Brian Flowers in 1976, which, while giving the electricity industry a flatly refused entrance to his present activities, managed to raise all manner of hypothetical fears about nuclear energy in the future.

The obvious risk for the fast-breeder project is not only that such preliminary inquiries could easily mean a year or two of delay, but that, on the evidence of the Flowers Report itself, it could succeed once again in greatly confusing the public issue.

HOME NEWS

London Upper Docks lose 32% of traffic

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

LONDON'S troubled Upper Docks suffered a 32 per cent reduction of traffic in the first half of 1978 compared with the same period last year. The port's losses increased from £3.3m to £4.7m.

These interim figures, published yesterday, are at the heart of so far unsuccessful talks between the Port of London Authority and the trade unions seeking agreement on a programme of rapid manpower reductions.

A successful outcome to these talks is necessary before the Government will release the £25m promised in July by Mr. William Rodgers, the Transport Secretary, to help the port cover its redundancy costs.

After six weeks of talks no progress has been made on the key issue of manpower reductions. The unions have continued to say that better marketing, and investment of the Government cash in improved facilities rather than redundancy pay, would create growth in the upper docks.

Yesterday's figures show gross revenue of £41.6m in the whole port, compared with £50.7m in the first half of last year. The operational loss was £2.7m, compared with £200,000.

Reserves, which at the end of last year stood at almost £2m, had been replaced by an accumulated deficit of £2.7m in mid-July.

The PLA's cash problems may well be less urgent than seemed the case earlier this year, when the authority forecast doubling of the overall annual loss from £8m to £16m, and a liquidity crisis by the end of the year.

These figures were based on the assumption of a more rapid rate of redundancy costs, than has proved to be the case. They also included some contingency for the effects of a possible dockers' strike in response to the PLA's tough stance in seeking to close the Royal Docks.

The Upper Docks, of which the Royals form roughly half, lost £4.3m in the first half before allowing general overheads and interest payments.

The Government has been told that the Authority could probably, if there were no emergency, soldier on until about April. This raises the possibility that another major round of decisions on the PLA will be necessary in a pre-election atmosphere.

Higher hotel tariffs allowed

BY ARTHUR SANDLES

Trust Houses Forte has been allowed an average increase of 5.28 per cent on UK hotel tariffs by the Price Commission. It has also been praised as a well-managed and forward-looking company with a responsible attitude towards improving the efficiency of its operations and serving the consumer.

Trust Houses Forte Hotels (THFH) provoked the Price Commission investigation when it notified the planned increase, which followed an already granted interim rise of 2.08 per cent under the safeguard for basic profits regulations.

According to the Commission, there was concern that the share of the hotel market held by THFH might be sufficiently large in certain sectors to enable it to act as a price leader.

Efficiency. However, it found that the company was faced with stiff opposition in the market place and that the level of profits "and that it earns more to its efficiency than to any lack of competition".

THFH had restrained capital expenditure in 1975 and 1974 due to financial problems, but had made a good recovery and its cash flow was healthy, the Commission reported.

The company had also assured the Commission that it would not seek a further increase in room tariffs before March 1979 unless there were exceptional changes in circumstances.

Full publication of the report by the Stationery Office has been delayed by industrial action.

Candelabra pair sold for £9,000

By Antony Thornecroft

SOTHEBY'S WAS busy in its London salesrooms yesterday selling paintings in Bond Street for £40,479 and French furniture in Belgrave for £50,204.

The top price of the day was at Belgrave, where a private buyer paid £9,000, plus the 10 per cent buyer's premium, for a pair of bronze Barthelemy candelabra by Emile Galle. The price of slightly below estimate. Candelabra, a dealer, gave £200 for a stained walnut stool of about 1850, and a German dealer bought a copper-cast figure of a peasant, after T. Gentile for £600.

In Bond Street, H. H. Luck, a London dealer, bought "Feeding the Chickens" of the French School, for £1,650, and a Belgian dealer, Verbruggen, paid £1,100 for a cattle and sheep landscape, called "Ommegheke". A horse standing in an open landscape sold for £800.

At Bonhams yesterday, in a sale of prints, a coloured monotype by Camille Pissarro sold for £3,800. The print, measuring only 8 centimetres by 11.5 centimetres and entitled "Bailly", was estimated at £2,000 to £4,000.

In a letter to his son, Lucien, in April, 1894, Pissarro said: "I have done a whole series of printed drawings in monochrome style which seem to me to have an amusing side. Rainscapes, plenty of European figures, poses, in sorts of paradises." This monotype is very likely one of the items mentioned.

Topographical views also sold well. Two large collections of views of Europe fetched £500 and £700 respectively. The sale totalled £16,400.

Talks fail to save 290 jobs

TALKS BETWEEN Mr. Don Concanon, Minister of State for Industry in Ulster, and the management of Ballantyne Sports wear have failed to reverse the company's decision to close its strike-bound factory at Coleraine, saving the loss of about 290 jobs.

The company management, based in Scotland, was invited to meet Mr. Concanon after it carried out its threat to close the factory unless 290 striking employees returned to work.

The company has declined to comment on the chances of the plant re-opening in the event of movement on the union side.

The workers struck 11 weeks ago over the appointment of a new manager to work they insisted should be done by a manual worker.

Trawler group quits fishing from Grimsby

BOSTON DEEP Sea Fisheries, one of Britain's fish combines, is breaking a 50-year association with Grimsby because of the slump in the trawling industry.

Boston's fleet of deep-sea ships, 11 strong only two years ago, is down to one trawler, Boston Fishery, which is transferring to Fleetwood with the loss of 12 shore jobs at Grimsby.

Three ships have been scrapped, four laid up and two sold as oil rig supply tenders.



Mr. Jocelyn Stevens (left), managing director of Beaverbrook Newspapers, and Mr. Derek Jameson, editor of the Daily Express: a circulation of just over 1m will produce profits.

Setback in plan for Daily Star

BY MAX WILKINSON

JOURNALISTS on the Daily Express yesterday rejected terms offered by management for co-operating with plans to launch a tabloid rival to The Sun and Daily Mirror.

The rejection followed long talks between management and journalists' representatives.

The setback to Express Newspapers' ambitious plans for another national daily came as potential advertisers were being given a preview of the new paper, provisionally called Daily Star.

The objections of London journalists are unlikely to cripple the plans because the main printing and most of the editorial work will be concentrated in the Manchester works of the Daily Express.

London journalists were offered a £50 bonus over three months for co-operation in the redevelopment which will be necessary within the company. They have rejected this offer and demanded a more substantial package of extra pay for every extra shift of work which they may be required to do.

The new paper will concentrate on sport, pretty girls and a brash bright presentation of mainly agency news.

Express management calculated that the new paper can be produced with the addition of only 35 journalists to the present 458 staff who work for the Daily and Sunday Express in London, Manchester and Glasgow.

The plans envisage that the Star will have a total editorial staff of 158, of which 35 would be in London and six in Glasgow. The plans will avert the threat

of redundancies which has been hanging over the Daily Express since its takeover by the Express Newspapers group for some time. Of the 170 journalists working for the Express in Manchester, 100 would be transferred to the new Star.

All the journalists have been guaranteed that if the new paper fails, they will be able to return to jobs with the Express.

The paper will be printed on the Express's Manchester presses, which have excess capacity, while a simultaneous edition is printed in Inverness by facsimile transmission.

The main aim of the Daily Star will be to capture a share in the north for a down-market, cheerful and titillating paper before The Sun can start printing in Glasgow.

At present The Sun is handicapped by lack of space in its Bouverie Street plant in London, compounded by chronic labour disputes.

Plans for the new newspaper stem from the conviction of Mr. Victor Matthews, Express chairman, that the solution to over-manning should be increased production, not redundancies.

The company hopes for sales of 1m to 1.5m copies a day which would make the venture highly profitable.

Fifty thousand copies a day of the Scottish Daily Express are to be printed in Inverness in an attempt to give readers in the north of Scotland the benefit of later editions.

The move will cut transport costs and weather-enforced delays. The Express pages will be sent by photo-facsimile to a £405,000 plant being planned by a new company, Northpress, in London and six in Glasgow. The plans will avert the threat

Thornycroft denies Tory pledge to cut spending

BY RICHARD EVANS, LOBBY EDITOR

LORD THORNCROFT, Tory Party chairman, poured cold water yesterday on claims that the Conservative manifesto contained a pledge to cut public spending by 10 per cent.

The denial followed a report on the contents of the manifesto, which was apparently missed by thieves who broke into the party's Research Department in Westminster on Monday night.

Manifesto elements said to be in the manifesto were strict cash limits on local authorities, a tougher national education policy and more aid to tenants to buy local authority houses.

But Lord Thornycroft said that the report in the London Evening Standard was not the Conservative manifesto. He added that references to public spending cuts were clearly an invention.

But he told in an interview that the report contained "some extremely sensible things" and highlighted policies that would deserve public sympathy and consideration.

Apart from the coincidence of the "break-in" at the research department, the report reminded Tory leaders of an embarrassing episode before the last election in which the manifesto was leaked to some newspapers ahead of publication.

The manifesto was in final draft before Mr. Callaghan made his announcement that there would be no autumn election, and it could have been published at very short notice. Because of the delay, sections will probably have to be re-drafted before the election is called.

A key element in the Conservative platform will be a plan to curb immigration involving strict limits on the entry of immigrants and the drafting of a new Nationality Act.

Road-rail tunnel plan revived

By Ian Hargreaves, Transport Correspondent

A PROPOSAL to build a sophisticated motorway and rail tunnel under the Channel was announced yesterday on the eve of a British Rail Board meeting that will consider the rail-only tunnel concept favoured by British and French railways.

The latest design to emerge in the revival of interest in the Channel tunnel comes from a group of distinguished academics and engineers headed by Sir Bruce White and Sir David Nicolson, chairman of British Tyre and Rubber.

The group has examined a concept briefly discussed in the assessment period that led to the British Government's unilateral abandonment of the project in 1975.

It would involve sinking a concrete tube on the Channel bed with capacity for a dual three-lane motorway and a two-way railway track.

It would run between Dover and a point south of Cap Gris Nez, surfacing in the central channel on a man-made island that would provide service facilities for tunnel users and possibly passing ships.

No cost estimate has been put on the project, but the group says that, from experience of similar tunnel designs in Hong Kong, Rotterdam and the U.S., it would be much more cost-effective than the rail-only tunnel.

British Rail and the Société Nationale de Chemins de Fer Français put the approximate cost of their scheme at between £500m and £600m, depending on such options as whether to build an additional service tunnel alongside the main tunnel and whether to adopt higher-capacity loading gauge used on most European railways but not in Britain. That would in theory permit lorries to be carried on trains.

Mr. William Rodgers, the Transport Secretary, has received a summary of the Anglo-French rail plan, but is not expected to make any early statement on its merits and demerits. As a strong pro-European, he favours the idea of a tunnel but is far from committed to backing such a big public investment.

Projects

What the tunnel supporters want from Mr. Rodgers is a British-French Government approach to the European Commission, which has been voted £680,000 by the European Parliament for transport infrastructure research.

The commission is considering projects that might be assessed, including a bridge between Italy and Sicily, a trans-Alpine tunnel, a Danish tunnel project or new railway lines in West Germany.

It appears, however, that the Transport Directorate favours the Channel investigation, but is unable to act without an approach from Government.

Today's British Rail board meeting will consider whether to carry out more detailed planning studies. The final outcome will depend upon a similar discussion by the French railway board this month.

The railways' plan envisages a single-bore tunnel with groups of trains leaving in "flights" in each direction. Although the system could be capable of carrying cars, no special car transfer point is planned in Dover and the service would rely on existing Motorail links.

Lorry-board train movements are not intended, even if the heavier gauge is selected. The main reason for this would be to carry conventional rail freight and passengers between Britain and the continent.

West Country trains affected

TRAIN SERVICES between Paddington and the west of England will be affected for three weeks from Sunday while track improvements are made.

The junction at Westbury, Wiltshire is to be altered and new colour signalling will be installed in preparation for the start of high-speed train services next year. And track at the junction of the Westbury to Taunton and Westbury to Salisbury lines is to be simplified.

REPORTS BY IVOR OWEN, ELINOR GOODMAN AND JOHN HUNT



THE LIBERALS AT SOUTHPORT

Political reform is 'most important thing for UK'

Moves to ensure small is beautiful

A COMMITMENT to introduction of proportional representation for Westminster elections will be essential before the Liberals join either major political party in a future minority Government.

Mr. Michael Steed, Liberal Party president-elect, told delegates to the assembly in Southport: "Proportional representation will be on the top of the list. Liberals must be open and honest about it in any general election campaign."

"PR is the sine qua non of any co-operation with any party after the next general election. We believe that political reform is the most important and urgent thing for this country."

"It means more democracy at regional, local and national level. The electoral system is faulty to that. We must recognise the intimate connection between PR and the willingness to work with any other party in Government."

He said the Prime Minister's decision not to hold an October election demonstrated how cynical the system could be abused to suit the party holding power.

Mr. Steed, a lecturer and psephologist, predicted that the country is in for an irresponsible

period of Government in coming months. Decision after decision would be delayed because it might affect the outcome of the election.

It would, however, give the Liberals more opportunity to disentangle their image from

be over-impressed by the trap of the political system."

He suggested that fixed-term Parliaments would prevent Prime Ministers playing "silly tricks" over the date of general elections.

Olympic talks

The Liberal Party may launch a campaign this autumn to prevent the Olympic Games being held in Moscow. Mr. Michael Steed said that Liberals were having talks with political, humanitarian and sporting organisations.

that of the Labour Government, following the ending of the Lib-Lab pact.

In a passage which implied criticism of Mr. David Steel, the Liberal leader, he said it had been easier to enter the pact than to get something substantial out of it.

The party had largely failed to explain the reasons for the pact to the electorate.

"We have allowed ourselves to

Assembly seeks inquiry on sanctions-busting

THE LIBERAL Parliamentary Party will demand a full inquiry into the failure of Labour and Tory governments effectively to impose oil sanctions against Rhodesia, said Mr. David Steel, the Liberal leader.

Describing it as an "appalling example of government secrecy", he said that he had already privately informed Dr. David Owen, the Foreign Secretary, that the Liberals would press for such an inquiry when Parliament resumes.

The Liberal leader was speaking during a question and answer session at the assembly. Mr. Rob Rendel, organising vice-chairman of the Young Liberals, alleged that the British people had been consistently lied to about sanctions for ten years.

Mr. Steel said that this was a very important matter which he had been intending to deal with in his main speech on Saturday.

He said we had a situation where the publicly declared policy of successive governments had been to impose

effective sanctions against the Rhodesian regime with a view to bringing it to an end. This policy, paid for by the public, had cost £200m for the naval blockade alone.

Now, however, it was being alleged that the sanctions were undermined by British oil company officials and civil servants, local ministers, and the Prime Minister, accused in some reports.

If this was the case, there must be a clear and open public inquiry, not just the prosecution of certain oil company officials.

Mr. Steel thought that these events were a strong argument for maintaining a political organisation such as the Liberals outside the two major political parties.

The oil sanctions row had affected both major parties and, therefore, he did not think that there would be many MPs intent on embarrassing their party leaders.

Answering separate questions about the Common Market and the European Parliament, Mr. Steel emphasised that the Liberal Party would be taking part in a powerful campaign in

the direct elections in close co-operation with other European Liberal parties.

There would be a meeting of European Liberals in London in December, attended by some ministers, of continental governments. He had also accepted invitations to speak in the Parliament in support of local Liberal parties during the direct elections campaign.

On another topic, Mr. John Pardo, economics spokesman, saw the need in the present economic climate for increasing the public sector borrowing requirement.

Although the borrowing requirement could not be allowed to go too high, he thought that at present it was at a level where, as a proportion of gross national product, it was below the point it had reached under the last Conservative government.

Mr. Cyril Smith, now back as the party's employment spokesman, said that Liberal MPs and officials should carry out an "octopus-like" campaign to gain support for the party throughout the country, now that the general election had been postponed.

There was overwhelming support for a motion urging positive discrimination in favour of small companies through tax relief to provide personal incentive and allow re-investment of profits.

As well as calling for access to finance through venture-backed loans and guarantees, the motion advocated low-cost factoring of debts and purchases, and more opportunities for small companies to share in public tenders, as either main or sub-contractors.

An amendment placing greater emphasis on development of co-operative enterprises rather than the perpetuation of family businesses was carried narrowly by a show of hands.

Mr. Ronald Cohen, from Kent and Chelsea, moving, contended that Labour and Conservative governments had followed policies designed to encourage the development of giant organisations.

Labour and Tory ministers had followed a policy of "bigger is better", with subsidies being paid to big companies at the expense of small businesses.

He cited BL as a typical example of a firm which was merged, subsidised, nationalised and which continued to be subsidised in a mixed economy. A free economy requires a thriving and active small business sector."

Complaint

Mr. Cohen complained that the dice was loaded against small businesses so that instead of competing in a mixed economy they found themselves up against a free economy which hardly gave them a chance of success.

"The most ridiculous tax system in the world" also discriminated against small businesses. Tax on the first £25,000 of profits made by small businesses should be reduced to encourage them to accumulate capital.

It should also be possible for owners of small businesses to pass them on to their children or employees without paying tax.

Pressing for the introduction of a system which provided guarantees for loans for small businesses, Mr. Cohen said it should be operated through the commercial banks and administered by existing financial institutions.

Mr. Geoffrey Thomas, Sutton and Cheam, led the attack on large firms of national repute who failed to pay their bills.

He was supported by Mr. David Liston, a leading member of the Liberal Party's industrial development panel, who condemned the "anarchic dilatoriness" of large firms in settling accounts with small suppliers.

Mr. Liston said that small firms, often found themselves funding large firms and local authorities.

"This we must stop, and insist on 'stop'."

Emphasising the need to provide small businesses with access to credit, Mr. Liston suggested changes in bank procedures which would permit more local or regional decision-making. A system was required which enabled decisions on creditworthiness to be based on backing the man rather than his assets.

Mr. Geraint Howells, MP for Cardiff and party spokesman on small businesses and self-employed, said the Liberal Party in securing the tax improvements announced in the Budget had been widely acknowledged.

Worthy policies for display

BY ELINOR GOODMAN

LIKE A family which has had a private conference about a domestic crisis and decided to place it on the neighbourhood, the Liberals determinedly went about their business yesterday as if all anybody was interested in was their policies.

The aim, according to Lord Evans of Cloughton, the party's chairman, was to fill the "shopfront so conveniently offered" with mass merchandise demonstrating the party's relevance and independence.

There were plenty of speakers anxious to dispel the myth that Liberals do not have any proper policies—and to settle the finer points in readiness for the day when they were put into action.

The goodies on offer were not all exactly what party officials might have chosen as the most profitable way of filling their shop window.

The Liberals, probably more than the other main parties, are torn between using their conference as a place to thrash out policies and exploiting its public relations potential.

Most resolutions are submitted by local constituency associations and are by no means necessarily vote-winners—or the thing to distract attention from the party's other problems. Yesterday alone the name of the former leader

terday's first motion dealt with small businesses and while some speakers undoubtedly felt "passionately" about the subject, it was not the sort of stuff to make good television. Nor was it enough to keep all the delegates in their seats. In the tea room, stalls selling posters asking "Would you go to bed with Margaret Thatcher?" were doing brisk business.

The Liberals' one advantage over the other parties is that they can fit all their MPs on to one platform. In the absence of Mr. Thorpe, Mr. Russell Johnson and Mr. Jo Grimmond, the Liberals fielded a team of 12 men and one baroness, most of them speaking in at least two capacities.

Questions to MPs, selected in a kind of controlled lottery, demonstrated the full range of Liberal compassion—from vagrants to single parent families—but did little to test the adroitness of MPs.

Mr. John Pardo, the economics spokesman, nimbly sidestepped a potentially difficult question by saying the whole question would be debated later this week. He would leave it to the assembly's good sense to do what he thought best.

The pact was never mentioned, let alone the name of the former leader.

Landlords opposed

A PROPOSAL to give positive encouragement to private letting throughout the country was excluded decisively from a resolution re-defining Liberal housing policy.

Delegates clashed strongly over a demand by Mr. Anthony Wilson, the prospective Liberal candidate for Kingswood, that residential landlordism should be "phased right out."

Defenders of private landlords were heckled fiercely but this did not prevent Mr. Stephen Ross, MP for the Isle of Wight and the party's housing spokesman from underlining the advantages which could be gained from a return to market rents.

He suggested introduction of pilot schemes of decontrol which would apply only to new lettings in non-stress areas. In the first instance, said Mr. Ross, decontrol would probably have to be limited to the furnished sector.

Mr. David Alton, prospective Liberal candidate for Edinburg, called for the fundamental abolition of "landlordism", whether in the private or public sector.

"Hobbe rule for all tenants,"

he suggested, should be the objective of Liberal policy.

Delegates approved a proposal encouraging private lettings by resident owners prepared to allow tenants to occupy spare accommodation in their homes.

Encouragement for letting of flats over shops was also approved.

Mr. Cyril Carr, Liverpool, who introduced the housing policy statement, said its theme was partnership. There should be a charter for tenants, owners and occupiers which offered security of tenure within its terms.

"We hope to dismantle the municipal empires and the corporation ghettos which now exist, and to hand over, on a street or block basis, the management of the properties to the people who occupy them."

Today's agenda

- Incentive taxation.
- Ecology and the quality of life.
- Party strategy.
- The role of education in schools.

Joint investment opportunity in the automotive exhaust business

Large international firm with 1,500 retail dealers across U.S. and Canada is establishing a retail dealer network for automotive exhaust repair throughout the U.K. and is seeking an active partner to work with. Principals only.

Please call September 12-17 for appointment
Mr. V. Loscalzo, pres. at Intercontinental Hotel
Tel: 01-409 3131

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

WELDING RESEARCH

Murex aim is to cut costs

MAJOR RESEARCH and development projects costing more than £400,000 over the next three years are being set in train by BOC Murex, part of BOC's engineering division. The aim is to develop welding consumables and other products and processes germane to this sector of industry which will provide worthwhile savings to users. Support has been forthcoming from the Engineering Materials Requirement Board.

The steering group has defined the main objective of the research work as the study in much greater depth than hitherto the relationship between consum-

ables design and the fracture toughness of weld metal as used in important industries such as offshore, pressure vessel manufacture and power generation. Fabrications in such industries are often in materials up to 100mm in thickness and they demand weld metal to the highest standards in order to withstand rigorous operational conditions. Despite the fact that the research programme has been set up around the manual electrode process, the working group expects the results will be of equal benefit to other welding processes.

Current fabrication methods demand costly precautionary

techniques to meet stringent certification schedules laid down by the approval authorities. The Murex programme will take a close look at the metallurgical properties of weld metal and the development of high technology welding consumables in an effort to overcome production delays these methods create. Success in the development programme could mean savings of as much as £3m annually for industries using manual techniques and up to £10m if the results prove readily adaptable to other forms of welding.

BOC Murex is located at Waltham Cross, Lea Valley (9) T10000.

METALWORKING

Furnaces have good control

GRAVITON, of Gosport, Hants (in association with Gravatom Industries) is manufacturing and marketing three-phase electric resistance melting, holding and dispensing furnaces (patents applied for) by arrangement

with I. E. Ewen and Co., of Edinburgh. These furnaces are the result of considerable research and were developed in 1977 from a prototype exhibited at "Foundry 77" on the Electricity Council's stand.

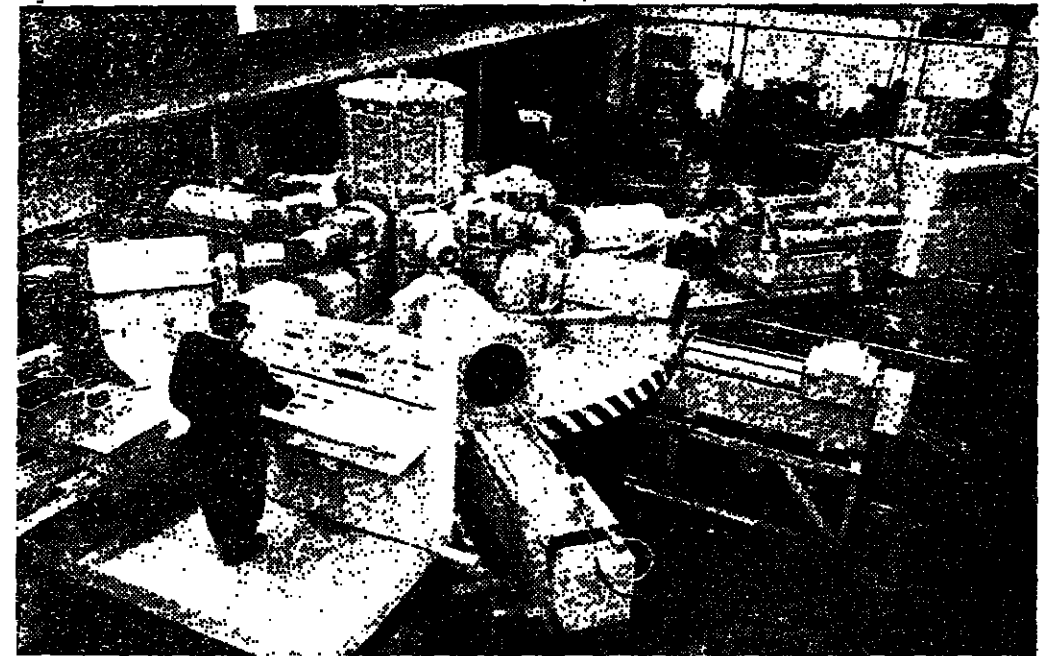
High melting rates (up to 500 kg copper-base per hour) and long life go with direct pouring of gas-free molten metal at the right temperature into crucibles or moulds at the touch of a button.

Consistent shot-weight or manual pouring by push-button

control with variable pouring rate is also possible. No separate melting plant is required and there is a great improvement in environmental conditions (low temperature, minimal fume, no noise).

Claimed thermal efficiency is better than 90 per cent. Only 10 kW power is required for overnight holding of liquid metal at 1,000 degrees Centigrade crucible temperatures up to 1,450 degrees are readily obtainable.

Gravatom, Fareham Road, Gosport, Hants. Fareham 232511.



A casting carousel, developed by Gibson Engineering of Aldridge, being tested before despatch to a user in America. The carousel is known as a Duo-Eight and can produce 240 cylinder liner castings per hour for the motor vehicle engine industry. The eight heads take molten metal from a common furnace to produce the liners, which are automatically

removed from the dies on completion. The production cycle also includes cleaning and re-dressing of the dies. Gibson, member of the steel division of Johnson and Firth Brown, is a pioneer in the production of spin casting machinery. It has sold similar units to customers in Poland, Italy, Portugal and Japan, as well as several UK clients.

IN THE OFFICE

More punch for a boss

ALTHOUGH ONE of the largest secretarial bureaux says that there are seven to eight jobs open to every typist applicant—whether she be a copy, audio, or shorthand typist—the quality of these necessary office adjuncts is nowadays very dubious. Over the last 10 years, the calibre of secretaries has changed—for the worse—and, from a recent survey on bosses, and their behaviour, the latter don't come up smelling of roses. So, to aid inadequacies at both ends of the scale, there is word processing, which has caused a dramatic change in the business world.

Where there exists a huge volume of paperwork, and speed and quality of typing are paramount, word processing is a highly efficient and effective technique for producing typed documentation. Letters, reports, and other documents can be originated, edited, revised, altered in format and reproduced, all with ease and at incredible speed, with an end-product of unquestionable quality.

Procedures which are normally tedious, mundane and expensive to carry out—such as personalising letters and filling in forms—are simplified, and filing and revealing information from files can be simple and convenient.

A result of this is that management enjoys the reward of increased productivity, fast turn-around, improved quality, and happier bosses and secretaries—all of which has motivated the introduction of the flexible disc

word processor, the P5002, from Philips Business Equipment Division, Arundel Great Court, open to every typist applicant—whether she be a copy, audio, or shorthand typist—the quality of these necessary office adjuncts is nowadays very dubious.

Although appearing similar to the P5001 launched on the UK market last year, this new unit incorporates a sophisticated software system, said by the company to be probably the most advanced in the world, which allows a number of information management procedures to be performed, in addition to the usual word processing functions.

The new facility, called PREVIEW (developed by Langton Information Systems) converts the P5002 into an information processor for input into the Post Office's Presel information system. It links a computerised information base, via a normal telephone receiver, with a domestic television fitted with a suitable decoder.

With this system, due to go public in the early part of next year, companies need relevant information into the Post Office computer and this can then be milked by the public for little more than the cost of a normal telephone call.

Orthodox word processing technology links a video display terminal to a high-speed printer through a small computer which is usually a microprocessor or a series of microprocessing chips) and it is this "computer" which lies at the heart of all word processing capability. Incorporation of high level software—which controls word processor func-

tions—considerably enhances performance. The company says that through Micom, its recently acquired Canadian subsidiary, it has accomplished this with its new product.

Apart from allowing the normal word, text and format changes to be made, the P5002 can act as a powerful information management tool by automatically organising information which is keyed into it. These files of information, first fed into the machine's own internal 64K character memory and subsequently stored on magnetic disc, are automatically indexed by specified codes in logical order.

The system heralds the arrival of electronic document production and storage—although documents are held and organised into logical files just as in an orthodox, manual filing system, the new facilities allow a whole range of file management, indexing, interrogation and retrieval operations to be performed in a fraction of the time and space normally taken.

COMPUTERS

Extra power in the middle

DATA GENERAL Corporation has added a mid-range commercial computer to its Eclipse family for interactive applications. The C/350 will be used in work similar to that done by the C/330, but it incorporates a range of advanced capabilities.

Main memory is expandable to one Megabyte, I/O transfer rates are up to ten Megabytes/second and very fast internal processing. The C/350 has the versatility to meet the distributed data processing needs of the medium or large organisation, said John Butler, Senior Marketing person for Eclipse data systems.

In application dedicated environments, it can support up to 32 interactive terminals, while larger multifunction systems can handle an inter-

active load and simultaneously support timeshared program development, multiple batch streams and systems teleprocessing functions.

Eclipse instruction set is used plus extensions specifically for commercial processing, including character string processing, decimal arithmetic and field-edit capabilities.

Systems are available with interleaved MOS memory expandable to one Megabyte with 64K, 128K or 256K bytes per board and interleaved core expandable to 512K bytes. The high density MOS memory provides users with an economical means of obtaining the increased performance benefits of larger memories.

Data General, Westway House, 320 Ruislip Road East, Greenford, Middx. UB8 9BH. 01-878 9231.

Tecalemit
Maidenhead, Berks.
Fluid Transfer, Control
and Filtration
Lubrication Systems
Garage Equipment
Combustion Engineering

SAFETY

Moulded plug will protect

UK families are exposed to danger from a staggering 70m per year faults on electric plugs in their homes. It has been estimated, in an attempt to reduce this threat, a new generation of electric plug is being launched.

Securely moulded on to the appliance cable, it comes from the RWC subsidiary of Lucas Industries. Common and potentially fatal defects that add up to the 70m Electrical Research Association estimate range from incorrect wiring to broken plug bodies and loose cable grips.

In 1976, the most recent year for which figures are available, seven deaths occurred in Britain as a result of plugs with loose earth wires, says Lucas.

"The cable ends inside the new 'Integro' plug are secured by crimping and riveting, then covered completely by an insulating plastic cover. As part of the process which bonds the cord and plug together, the plug interior is encapsulated in molten plastic. This sets to provide a tough, shatter-resistant additional insulation capable of withstanding 10,000 volts. Normal plugs are tested to only 2,000 volts.

The Integro is fitted with an accessible fuse carrier which is taken from the base and replaced after fuse changing. As its name suggests, this is a completely integral plug. There are no screws, nuts or cable-grips that can break, loosen or cause overheating.

As well as safety, Lucas says, the plug has another big advantage—convenience. Appliances could now go to the customer's home complete with plug, and ready to switch on. The plug can also be coloured to match appliances and be branded with the maker's name.

Lucas Industries on 021-554 5252.

PROCESSING

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The company is a specialist manufacturer and converter of double-sided, dry-edge, narrow-width adhesive tape and foam pads, and this extended service means that customers can have many types of adhesive material slit, re-wound, laminated, die-cut, or ribbon die-cut, or any combination of these services.

Tape Projects can slit or re-wound any required length from one metre upwards and from 1 mm wide upwards, and the material can be die-cut to provide any size and shape for gaskets or "cushioning" work.

The company is also offering a "jillster" packaging service from Ward Road, Milton Keynes.

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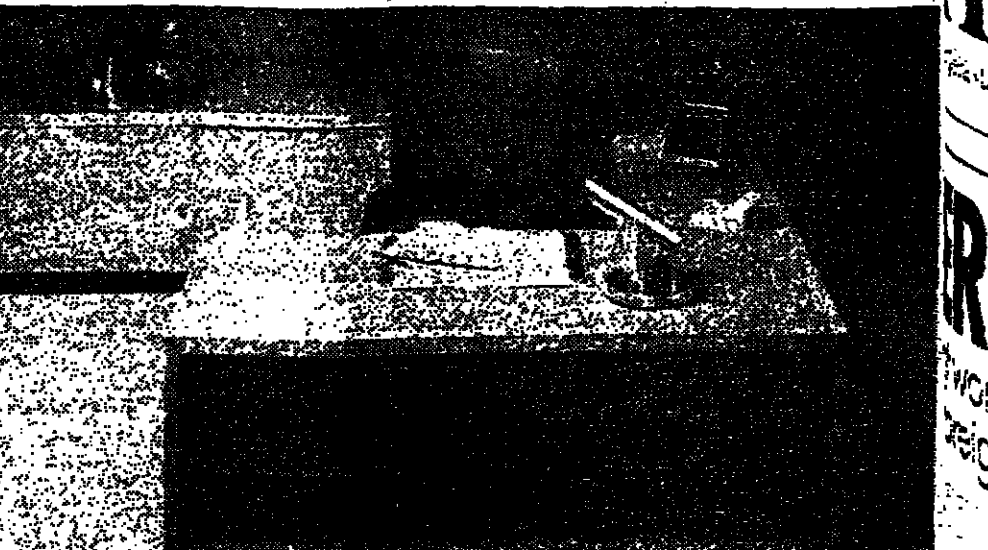
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Inflation must be further reduced to achieve more rapid growth

COMMENTING on the inflation rate, the Bank says that this has remained broadly unchanged for some months. "It is not only essential to prevent any renewed increase, but it must also be the aim to reduce it further." After the painful experience of the last few years "it now seems to be widely recognised that monetary restraint and moderation in pay settlements are essential and mutually reinforcing constituents in the control of inflation."

After the June measures, monetary conditions have been more satisfactory. Provisional indications are that growth of sterling M3 up to August may have been below the official target range of 8-12 per cent for the current financial year and the pace of domestic credit expansion "has markedly fallen away."

The Bank admits that if demand for bank credit continues to be strong, "some low priority borrowers may experience difficulty in obtaining funds—at least for a time." But the extended credit restraint should leave room for banks to make adequate lending to priority customers.

Much of the assessment is devoted to a discussion of the problems of economic growth and productivity. The Bank remarks that although the recovery in living standards is welcome, further improvement "will be sustainable only if it does not attract excessive imports and is, on the contrary, accompanied by a steady rise in production and exports and, in

due course, by a full response from productive investment." The scope for fostering faster growth by demand management is in present circumstances limited by the constraints imposed by inflation and the balance of payments in the longer term. "An improvement in the supply side of the economy is of crucial importance to the UK's future economic performance and living standards."

The Bank points out that in recent years the growth of productivity has been unusually slow, most notably in the industrial sector. It presents a major question "whether the slow growth of productivity observed in industry in the recent past is the result of the present recession, or whether it reflects a longer-term deceleration in the underlying rate of economic growth."

One reason for posing this question, the Bank says, is the puzzling trend of unemployment. It would have been expected that import penetration has continued to increase so rapidly, that the explanation might be that there is less spare capacity than the previous trend of productivity would imply. Arguing from previous experience of recession periods, the Bank remarks, it could be held that productive potential has probably continued to grow at near its old rate. On that basis, there would now be up to 20 per cent of spare capacity in manufacturing. Against this, the recession has been deeper and longer-lasting than previous post-war experience and, even before it started, investment was falling below its previous trend.

One attempt to quantify the effect on productivity growth suggests that the rate of growth in manufacturing has been reduced by about a third since 1970. This, in turn, might suggest that there is now only 10-15 per cent spare capacity. The Bank points out that most indicators suggest that the margin of unutilised capacity is now considerable, although potential output may have been reduced by large shifts in relative prices including the effects of price rises. But, other industrial countries have been affected similarly, and the UK has had the relative advantage of North Sea oil.

It may be unduly pessimistic, the Bank concludes, to suggest that a more fundamental and long-term deceleration is taking place in the rate of output and capital accumulation in industrial countries. The present recovery in manufacturing investment, if sustained, should quicken the improvement in the growth of productive potential. However, it would be "unrealistic to look for an early return to past trends." The deterioration in the real profitability of industrial companies has been substantial, but there have been other factors.

Manufacturers as a whole may have been unable to pass on higher input costs fully, or, with historic cost accounting, may have been insufficiently aware of the need to do so. The result has been that profitability, measured in real terms, has fallen far below earlier levels and remains so in spite of some recovery.

This may have important consequences, the Bank argues, including a slower response to rising demand. "Though this country is as well placed as most others," the Bank concludes, "it may take time for the rhythm of recovery to get established."

The general aim must be the progressive reduction of the margin of unutilised resources. But policies directed to the this aim "can only proceed with caution—given the limitations imposed by the balance of payments and the dangers of inflation." A moderate, continuing growth demand could, however, provide the opportunity for greater adaptability on the supply side and, if accompanied by an improvement of real profitability from its present inadequate level, could contribute towards a faster and sustainable rate of economic growth in the longer run.

"An alternative explanation may be that manufactured goods are classified as finished if they are ready for despatch from the factory, regardless of whether they are intended for final sales or for use as components. Much of the rise in stocks of finished goods could have been in component industries, reflecting the recent rapid growth in production of intermediate goods, rather than in finished goods."

The bulletin says that the rise in unemployment may simply reflect seasonal adjustment problems and could be reversed in the autumn. Slightly lower than a year earlier has been the male unemployment rate, partly offset by higher female unemployment. Thus the total number of employees (excluding the armed forces) has apparently changed very little over the last year, despite a rise of about 200,000 in the population of working age.

The reduction in the number of male employees is difficult to reconcile with the increase in the number of men of working age. Apart from an increase in the numbers in full-time education, there has been an expansion of youth opportunities, programmes, earlier retirement and increased self-employment may also be factors.

The world economy is still depressed and growth in the main industrialised countries is likely to be no faster than the 3 per cent rate achieved in 1977. But the growth in the volume of world trade has accelerated a little. Total UK export markets were probably only growing at about 4 per cent a year in the first half of this year but may grow faster in this half-year. Britain's export performance in manufactured goods in the first half was not as impressive as in 1977 when the UK gained market share. Between the first halves of 1977 and 1978, manufactured export volume rose by 21 per cent compared with the equivalent 6 per cent increase in the UK-weighted volume of world trade in manufactures.

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LABOUR NEWS

British Steel could face managers' work-to-rule

BY OUR SHEFFIELD CORRESPONDENT

THE BRITISH Steel Corporation will soon face a work-to-rule by almost 12,000 middle managers unless it offers a productivity agreement to the men's union, the Steel Industry Management Association.

Union leaders have given British Steel a month to produce a deal. On October 13, delegates at the annual conference in Harrogate will vote on the imposition of sanctions if no offer has been made.

Mr. Robert Muir, the union's general secretary, said in Manchester, Yorks yesterday that the men's union would be a wide range of sanctions could be used, from frustrating British Steel communications and blocking overtime to holding back

break-down calls to managers. "It would be working to rule," he said. "If British Steel wish to challenge on breach of contract grounds, we have the legal machinery ready to answer this."

The union, with British Steel membership of 11,983, represents men up to works manager level. In their first request for a productivity agreement was submitted 14 months ago with a 12 per cent "round figure."

The union's management committee has rejected the Government's 5 per cent wages ceiling for 1979. Mr. Muir said the men would be asking for salary increases of between 5 and 13 per cent.

He said the union was a "difficult" one to deal with, particularly because of its recession and heavy corpor losses. But the erosion differentials and the creative inverted differentials had caused a "great wave of resentment" among managers forced to watch grades negotiate product agreements up to 14 per cent. "We have been forced into a corner," said Mr. Muir. "We don't need much of a strike-like response from Steel backed up by the Department of Industry, to get us out of this. Without it, the going to come out of the box."

SU toolmakers may resist appeal for return to work

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

HOPES THAT the 32 BL Cars by Mr. Roy Fraser, leader of the carburettors, and stocks at plans are still regarded as a union appeal to call off their six-week unofficial strike were

mittie to pursue the claim of the SU men should offer valuable information to the management and unions to negotiate a central package of reforms to tackle pay anomalies throughout BL Cars.

Even if the SU men persist, as expected, in their hard line and remain on strike, the issue could be the dormant for a time. Despite the six-week unofficial stoppage, production from the SU plant has been maintained.

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Radio technicians in ports may strike

BY PAULINE CLARK, LABOUR STAFF

RADIO TECHNICIANS employed in ports by Marconi Marine have told their employers that they will strike from next Thursday if they do not receive an improved pay offer.

The Radio and Electronic Officers' Union, which represents 250 of the shore-based technicians in Marconi, yesterday instructed members working for companies not to take on the strikers' work if industrial action went ahead.

Marconi Marine is the largest employer of radio technicians in British ports. Industrial action by the group could seriously disrupt shipping operations, particularly of quick turn-round cargo vessels, including oil tankers and container ships which rely on prompt radio servicing on their brief visits to port.

Mr. Jack Bromley, the union's deputy general secretary, said yesterday that there had been an overwhelming support for action from his members, who were angry at their employers' refusal so far to improve on a 3 per cent pay offer.

The technicians, who earn average £80 a week, received 10 per cent settlement under Government's Phase Three in lines.

According to the union, benefits from a self-financed productivity deal negotiated their January settlement had proved "very unsatisfactory" since April, yielding a little extra a week in the summer months.

Union and employers plan to meet again on Tuesday. Mr. Bromley will press another productivity deal, which he believes could be based on job evaluation and salary restructuring exercise.

The union's strike order is to last until the end of the following Monday when it considers whether to prolong action.

The Department of Trade and Industry has said that both British and foreign ships could be prevented from leaving ports if their radio equipment was not in pre-working order.

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Big stock sales put pressure on corset

THE SLOWDOWN in the growth of the money supply, and the heavy sales of gilt-edged stocks after the corset controls were reimposed in early June, are discussed in the Bulletin's comments on financial developments.

Of the corset, the Bank says that two factors have complicated the task of the banks in meeting the limits. First, the underlying demand for credit is much stronger than when the scheme was previously operating.

Second, the banks were under reserve asset pressure as a result of a combination of factors in June and July, including large sales of gilt-edged stocks by the

certainties. These included doubts about whether the Government's funding programme was consistent with the monetary targets. The market was also affected by the weakening of sterling during April and by rising U.S. interest rates. Higher UK rates were expected, and though minimum lending rate went up to 9 per cent early in May it was soon questioned whether this would be enough.

In the last week of May, some significant sales were made, including the exhaustion of the variable rate stock, but the market then went quiet again.

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Economic growth likely for rest of year

GROWING evidence of an expansion of economic activity so far this year and the prospect of a continued rise during the rest of 1978 is highlighted in the bulletin's economic commentary.

The Bank, however, notes that the expansion remains rather subdued. After some deterioration earlier in the year, financial conditions have improved since the credit squeeze measures of June 8.

Real personal disposable incomes in the second quarter of this year were 71 per cent higher than a year earlier as a result of earnings rising more than twice as fast as prices, augmented by tax cuts.

"The prospect for the rest of this year is for continued growth in real incomes at much the same rate. Although price inflation may pick up slightly in the second half, brining a slower growth in real earnings, the 1978 Budget measures, by reducing the tax burden and increasing child benefits, will provide a considerable boost to real disposable incomes, particularly in the third and fourth quarters."

"The erratic pattern of tax payments in recent quarters has led to considerable fluctuations in real disposable incomes. With consumers spending following a rather smoother path—up by 51 per cent in real terms over the year to mid-1978—the savings ratio has fluctuated from quarter to quarter. It rose sharply in the fourth quarter of 1977 to over 16 per cent, fell to 14 per cent in the first quarter of this year but probably rose sharply again the second quarter."

"Tax rebates payable in the third and fourth quarters will tend to keep the ratio up, because of the usual lag between an increase in income and its effect on consumption. The continuing rise in real incomes should, however, increasingly be reflected in consumer confidence."

The bulletin says that the June

Department of Industry investment intentions survey suggested that industrial investment would rise by about 3 per cent this year. This would give a growth of just over 1 per cent a quarter during the remainder of the year and may well be exceeded.

"Companies' gross trading profits have been almost unchanged since the end of 1976: output has been depressed, and falling raw materials prices last year were, at least partly, offset by growth in unit labour costs under Stage Three."

Net of stock appreciation and excluding North Sea activities, profits recovered, quite sharply until the third quarter of 1977 but they have risen little since. Falling prices of raw materials had a beneficial effect on profits last year, but this year these prices have risen and their effect is less.

"Some improvement in profitability can be expected from the pick-up in economic activity but even so, non-North Sea profits, net of stock appreciation, are unlikely to increase much this year. There may not be much help to costs from raw materials prices while labour costs will, for much of this year, be influenced by the rapid increase in earnings during Stage Three. Real rates of return on non-North Sea activities may still be under 4 per cent by the end of the year."

The world economy is still depressed and growth in the main industrialised countries is likely to be no faster than the 3 per cent rate achieved in 1977. But the growth in the volume of world trade has accelerated a little. Total UK export markets were probably only growing at about 4 per cent a year in the first half of this year but may grow faster in this half-year.

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Five-figure pay prospects in industry

BY MICHAEL DIXON

THERE IS nothing better than a clutch of figures to tune up the old brain after a longish holiday. So to start its new working year, the Jobs Column has compiled the adjacent table from the latest "Rewards of Management" survey carried out earlier this year by Lloyd Incomes Research.

Lloyd's method, roughly speaking, is to find out the salaries and principal perks of different people doing jobs which match the same specification in various companies, big, medium and small. This particular survey of "functional management" jobs in Britain covered 28 concerns with fewer than 201 employees, 70 with 201 to 2,000, and 26 with more than 2,000. All the companies were in manufacturing or service industry.

Together the small concerns employed 364 managers among 3,167 total staff, giving a chief-to-indians ratio of 1 to 7.7. The medium had 5,019 managers in 46,823 total staff, giving one to 8.3 and the corresponding figures for the big companies were 14,544 among 251,051, giving 1 to 16.3. Of the managers, 6,617 were in jobs which could be compared.

The result of the comparison is a chunky report which readers who have £75 to spare may obtain from Josette O'Brien at 73-74 Brewer Street, London W1R 4DA, telephone 01-437 2427. For the rest of us who

have not, however, I have extracted figures for the 32 jobs which were found to have salary prospects of at least £10,000 a year.

Hence the "industrial league table" alongside. In case anyone doesn't know it, when the managers in each category are ranked by salary the lower quartile figure represents the pay of the person a quarter of the way up from the bottom, the median that of the man in the middle, and the upper quartile the salary of the person a quarter way down from the top.

The merchandise-controller category contained but six people, and the retail-controller only 10. The next smallest sample was that of executive director — marketing with 21 of the same discovered. There were 22 of the executive director — personnel persuasion, and the cell of executive directors — finance held 23. All the other categories consisted of at least 30 souls, and most of a good many more.

Before departing until Tuesday, by the way, I must say I am sad that more readers did not feel up to tackling the managing directorship of B.L. V.V. alias British Leyland's Bus and Truck company. Pat Lowry, the group's personnel director, has cancelled the bottle of dandelion and horsetail he promised if the column found him the right person. All he is offering now is a cup of hemlock.

THE BEST REWARDED FUNCTIONAL MANAGERS IN INDUSTRY

Ranking	Job-title	Annual salary in £					Percentage of group with "Bonuses" over 10% of salary	Company cars
		Minimum	Lower quartile	Median	Upper quartile	Maximum		
1	Board director—finance	8,208	11,000	14,000	16,000	40,000	18	92
2	Board director—marketing	7,400	10,500	12,500	14,710	30,000	11	95
3	Executive director—finance	7,400	10,000	12,500	12,000	25,000	12	84
4	Board director—personnel	6,409	8,500	10,001	12,840	24,216	6	90
5	General sales manager	5,000	6,500	8,616	10,000	21,000	11	95
6	Administration manager (responsible for total admin. at single location)	4,500	5,640	6,750	7,733	19,000	1	57
7	Board director—works	8,000	8,500	10,000	11,500	18,000	5	99
8	Data processing manager	5,000	6,409	7,524	8,950	17,781	3	70
9	Executive director—works	6,260	7,000	8,000	9,500	17,500	15	80
10	Marketing manager	5,120	7,500	8,500	9,000	17,000	15	92
11	Financial controller	6,000	6,750	8,000	10,000	17,000	2	49
12	Chief engineer	4,312	7,000	8,000	9,500	16,900	4	65
13	Works/production manager	4,372	6,200	8,000	8,950	14,500	2	61
14	Executive director—personnel	6,000	6,500	7,450	10,000	14,209	9	68
15	Retail controller (responsible for all branches within a group)	8,000	9,000	10,000	13,500	14,000	10	90
16	Regional manager—retail (reporting to retail controller)	4,000	5,000	6,400	7,500	13,650	5	65
17	Senior research engineer	5,600	5,800	7,250	7,500	13,500	5	36
18	Purchasing manager	4,263	5,470	6,500	8,000	13,500	2	60
19	Executive director—marketing	5,529	7,500	10,001	10,001	12,500	24	99
20	Merchandise controller	4,000	4,000	7,000	8,500	12,500	17	100
21	Divisional sales manager	4,250	6,400	7,753	10,000	12,000	11	74
22	Marketing services manager	4,000	5,880	7,000	7,500	12,000	3	69
23	Chief accountant	5,000	5,350	6,000	8,700	12,000	3	37
24	Personnel manager	3,000	7,700	9,000	9,090	12,000	1	84
25	National sales-accounts manager	4,050	6,000	7,000	7,779	11,770	4	97
26	Group product manager—marketing	5,000	7,500	9,000	9,500	11,750	—	97
27	Product manager—marketing	3,800	6,140	6,501	7,500	11,750	1	91
28	Sales promotion manager	4,740	5,950	6,500	7,000	11,500	2	83
29	Senior development engineer	4,782	6,000	7,000	8,300	10,500	—	10
30	Production co-ordinator (of buying, storage, despatch, etc.)	4,000	5,016	5,500	6,708	10,320	—	26
31	Regional sales manager	4,700	5,500	6,000	7,000	10,250	18	99
32	Market research manager	5,082	6,000	7,350	8,000	10,000	10	74

INSTITUTIONAL SALES EXECUTIVE SCOTLAND

A major firm of stockbrokers, which has existing and well-established contacts with most Scottish institutions and a strong specialised research output, wishes to appoint an experienced Sales Executive to develop and broaden its business in Scotland.

The pre-requisite is a proven ability to sell sound sophisticated research output on U.K. equities to institutions in Scotland. The successful candidate is likely to be between 30 and 45 and to have a degree or equivalent professional qualification. Candidates could already have attained a partnership. Location could be either in London or in Edinburgh. Remuneration would be generous.

Applications will be forwarded direct to our client and you should indicate in a covering letter, any firms to whom you do not wish to apply.

Please send a career résumé, quoting ref. 940/FT to:

W. L. Tait, Touche Ross & Co.,
Management Consultants,
4 London Wall Buildings, London, EC2M 5UJ

Group Secretary

Lawyer with a strong commercial bias
Salary well into five figures

Responsibility is for all legal, statutory and administrative matters throughout the operations of a UK company which turns over some £100m a year.

The over-riding requirement is for someone who can not only handle the traditional responsibilities of a Company Secretary, but who can also make a marked individual contribution to the commercial management and success of the Group during a period of significant change and expansion both at home and overseas.

A strong background in Company Law, with particular emphasis on business negotiations and agreements, is essential; coupled with specific knowledge of board organisation, Stock Exchange rules, contract and labour law and multinational

organisations. This professional excellence must be matched by the personal qualities that will ensure respect and cooperation at all levels within the Group. Remuneration will not be a limiting factor in selection and the person appointed is already likely to be earning a five figure income. The preferred age bracket is around 40 and the location in the London area.

Ref. W4996/FT
REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

de ZOETE & BEVAN

are seeking an executive for the section of their Institutional Equity Department specialising in

U.K. Convertibles
Sterling/Dollar Convertibles
Traded Options
Other mathematically orientated markets/situations.

We will consider someone who is already established in this field, or a young mathematics graduate, male or female, who is keen to take up an exciting challenge in The Stock Exchange.

Excellent remuneration according to experience. All replies, with full curriculum vitae, will be treated as confidential and should be sent to:

J. C. Cowley,
de Zoete & Bevan,
25 Finsbury Circus,
London EC2M 7EE.

DIRECTOR & FINANCIAL CONTROLLER

N. Midlands

Engineering

Our client, a subsidiary of a British Group, is a profitable and expanding engineering Company with some 400 employees. The successful candidate will be responsible to the Managing Director for management and financial accounting and will be Company Secretary.

Candidates, male or female, who will be qualified, will have had broad experience in manufacturing companies showing profitable growth based on sound financial control. Age is not important provided candidates have sufficient experience and are young enough to take advantage of the career opportunities provided by the Group. Salary is unlikely to be a constraint and benefits, which include a car, are those of a major, progressive Group.

Please telephone for a form—or write to me with sufficient information to make one unnecessary:

P. G. Raynes (Ref. 0888) Peter Counsel Limited,
The White House, 8, High Street, Guildford,
Surrey, GU2 5AJ.
Tel: Guildford (0483) 67781 (24 hour service)

PETER COUNSEL
LIMITED

INTERNATIONAL BANKING CHARTERED ACCOUNTANT

A major American Bank, with growing international interests, is seeking a chartered accountant to join its London-based internal auditing team for audit work at senior level.

Applications are invited from candidates aged 25/32 who must be willing to undertake up to 25% international travel.

An excellent salary will be offered to the successful applicant, with attractive and generous fringe benefits generally associated with a first-class bank.

Candidates, male or female, should send full details of their age, education, experience and current salary to:

Box No. RD 4807,
c/o Eitel Recruitment,
Pemberton House,
East Harding Street,
London, EC4.

The names of any banks to whom you do not wish your application forwarded should be clearly printed on the back of the envelope.

Senior Financial Executive

£12,000 p.a.

This is not an appointment for which a qualified accountant is necessarily required. It calls for a senior financial executive with broad experience of trading finance and funds management. Our clients, a major international Group, will require their Financial Executive to be responsible, inter alia, for decisions on terms and currencies for major trading

City negotiations in commodities, day-to-day control over borrowing and deposits in U.K. and the appraisal of the financial position of Group development projects and potential investment opportunities. Some travel both in U.K. and overseas will be necessary. Candidates will be considered up to the age of 55. Normal large Group benefits.

Applications in confidence quoting Ref. No. 6279 to E. A. C. Griffin, Mervyn Hughes Group, 2/3 Cursthorpe Street, London EC4A 1NE. Tel: 01-404 5801 (24 hours).

Mervyn Hughes Group
Management Recruitment Consultants

Assistant Treasurer

London SW1 c.£8,500+ car

Major British Manufacturing group, with an impressive record of multi-national expansion, seeks a number two to its Treasurer to play an important role in the raising, control and utilisation of funds internationally. Starting salary negotiable around £8,500 a year plus car and other benefits.

Candidates are likely to have a relevant qualification or degree and would probably be aged between 27 and 45. However, formal disciplines are secondary to a wide-ranging knowledge of the control, movement and raising of funds, acquired in banking or in the treasury function in industry. Real prospects of advancement.

For a fuller job description, write to W. T. Agar, John Couris & Partners Ltd., Selection Consultants, 78 Wigmore Street, London W1B 9DQ, demonstrating your relevance briefly but explicitly and quoting reference 2048. This is an equal opportunity appointment. Replies will be treated in strict confidence.

JC&P

Credit Officer

Bank of Ireland Finance is the instalment finance subsidiary of the £2.1 billion Bank of Ireland Group which has been operating in the U.K. since 1850.

As part of a planned programme of expansion there is a vacancy for a Credit Officer as a member of a Credit team based at the Company's Administrative Headquarters in Harrow.

The Credit Officer will assist in safe guarding the Company's industrial and commercial investments by assessing and making recommendations on new applications and in reviewing existing commitments. He/She will assist Field Staff in the areas of Credit Applications, reviews and collection matters.

The successful candidate will probably be 25/30 years of age and have had some lending and security experience in a Bank or Finance House and is likely to have obtained a relevant recognised qualification.

A generous salary and fringe benefits are offered, including a non-contributory pension and life assurance scheme. Staff mortgage facilities are available after a qualifying period.

Please write or telephone for an application form and job specification to:

Mr. R. J. Tasker,
Administration Manager,
Bank of Ireland Finance (U.K.) Limited,
Havelock Place,
Harrow,
Middlesex HA1 1ND.
Telephone 01 863 8631

Bank of Ireland Finance

Assistant to Finance Manager

INTERNATIONAL CONSTRUCTION UK BASED

We are a major building and civil engineering contracting company, undertaking multi-million pound contracts in many different countries.

Our Finance Manager requires an Assistant to help him with the work of:-

- * the provision of Civil Engineering contract bonding and other indemnities
- * the control of funds on overseas contracts and in the U.K.
- * obtaining exchange control permission.
- * obtaining ECOD facilities
- * the provision of banking and finance facilities
- * the financial appraisal of overseas and U.K. companies.

Ideally, we would like someone whose experience will enable them to contribute immediately in all these areas. However, we would also like to hear from younger men and women who have a specialised knowledge in one or two of the subjects and who are looking for a greater challenge.

We offer an attractive salary, depending on experience, qualifications and age, together with good company employee benefits.

Please apply giving full details of your education and career to:-
Miss C. Davidson,
Tarmac International Limited,
62/72 Chiltern Street, London W1M 2EL.
Telephone: 01-496 4444

Tarmac
INTERNATIONAL

Money Management

An old established City merchant bank requires a Manager for its Active Money Trading Department.

The applicant will ideally be between 28 and 35 years old and have had a minimum of three years' experience in the London Money Market. Preference will be given to a graduate or a person with an equivalent qualification.

Good salary and excellent prospects.

Apply in confidence with full curriculum vitae to Box A.4466, Financial Times, 10, Cannon Street, EC4P 4BY.

CJ**RECRUITMENT ADVERTISING**35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374**CJRA****CREDIT OFFICER**

CITY

£6,000-£8,000

INTERNATIONAL CONSORTIUM BANK

We invite applications from candidates, male or female, aged 23-27, who have acquired between 2 and 4 years' experience in Credit work and documentation associated with Eurocurrency credits. The successful candidate will be responsible for regular credit review on existing medium-term loans, as well as new proposed facilities, etc. A personable manner, plus a flexible yet commercial outlook sufficient to warrant further promotion is important. Initial salary negotiable £6,000-£8,000 + house-allowance, personal loan facility, non-contributory pension, free life assurance, free family BUPA. Applications in strict confidence under reference C010563/FT will be forwarded unopened to our Client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager.

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.

Pension Fund Management Analyst/Dealer

The Investment Division of Shell International is responsible for the management of the Pension Fund portfolios of several companies within the Royal Dutch/Shell Group. The combined assets of these funds make up one of the largest pension fund portfolios in the U.K. being valued at about £750m. We are looking for a young person to join this investment team and to assist in managing the U.K. Equity portfolio.

To be eligible you will be professionally qualified or a graduate. Preferably you will have experience of fund management on a large scale within a merchant bank, pension fund or similar institution; although someone with analytical training, without fund experience, will be considered. You should be familiar with the analytical and dealing requirements for managing a large U.K. Equity portfolio.

The starting salary is likely to be around £6,750 (including London Allowance) but could be more for an exceptionally well qualified candidate. In addition there is a wide range of company benefits. Working conditions in Shell are excellent, as are the sports and social facilities that are available. Please write with full resume of your career or telephone for an application form to:

Shell International Petroleum Company Limited, Recruitment Division (FT)
PNEL/21, Shell Centre, London, SE1 7NA. Telephone: 01-934 4626.



INTERNAL AUDIT MANAGER

up to £9000 p.a.

An opportunity to join an expanding major financial institution with branches throughout Great Britain is presented by this vacancy for a Chartered or Certified Accountant who has had responsibility at a senior level for on-line computer systems auditing, either as an external or internal auditor.

The importance attached to this developing function is demonstrated by the establishment of a Board Audit Committee to which the Manager has direct access in addition to his or her normal reporting to the General Manager (Finance).

The remuneration package includes salary on appointment up to £9,000 p.a., which can be significantly supplemented by generous assistance with house purchase, and a first class pension scheme and subsidised medical insurance.

You are invited to write with full career details including salaries and other benefits to:

S. Crosbie, B.Com., F.C.A., General Manager (Finance), marking the envelope "IAM - Confidential", at: Alliance House, Hove Park, Hove, East Sussex BN3 7AZ



Phillips & Drew

Pension Fund Department

Phillips & Drew have vacancies in their expanding Pension Fund department for Managers' Assistants. Duties will include responsibility for the day-to-day administration of Pension Fund investments. Ideal candidates will be educated to "A" level standard with preferably a minimum of one year's office experience.

The positions could provide good openings for the right person to progress to Fund Management with every encouragement given to the successful completion of professional examinations.

Preferred age 19-21.

We offer a competitive salary, bonus, 40p luncheon vouchers and contributory pension scheme.

Please write giving full details to:

Staff Manager,
PHILLIPS & DREW,
Lee House, London Wall, London EC2Y 5AP.

FINANCIAL CONTROLLER

c. £13,000

CITY

A small, but rapidly expanding firm of insurance brokers intend to appoint a qualified accountant, preferably aged under 40. He or she will be involved with all aspects of accountancy, finance, administration and statutory requirements, as well as assuming the role of company secretary, working closely with the Managing Director. Applicants must have experience of the insurance industry. Personal and social qualities are important as the successful applicant is expected to contribute significantly to the further development of the firm and could become Financial Director in due course.

Please apply:
Sir Timothy Hoare,
Chichester House,
Chichester Rents,
London WC2A 1EG
01-242 5775

Career plan
LIMITED

INSTITUTIONAL SALES EXECUTIVE

SPENCER THORNTON & CO.

We are currently expanding our UK institutional sales team and have a vacancy for an experienced executive. We offer specialist research in the Electrical and Engineering sectors and a knowledge of basic analytical skills would be of advantage to the applicant.

Attractive terms of employment are envisaged and applicants should write to Mr. C. C. Line, Spenthorn House, 22 Cousin Lane, London, EC4 or telephone 01-628 4411.

Financial Director Designate

Textiles

c£8,000

Our client, a medium sized privately owned company located in the East Midlands, has an outstanding record of consistent profitable growth and an enviable record of export achievement by producing probably the finest knitwear in this country.

Due to the intended retirement of its Company Secretary and Senior Financial Executive in 1979, the requirement is for a Financial Director who, within 12 months, will assume total responsibility for the entire accounting and financial management function of the business.

Candidates, male or female, must therefore be qualified Accountants of one of the leading institutes, be experienced in controlling such a range of activities and be thoroughly conversant with most modern techniques associated with a well managed company. Although not essential, experience of the textile or knitting industry would clearly be an advantage. The preferred age range is 30-45 years.

Whilst the salary and benefits package initially will be negotiable around £8,000 per annum, it is anticipated that an appointment to the Board will increase this to five figures, plus the usual additional benefits. Relocation expenses will be paid wherever appropriate.

Please write initially, with brief details quoting reference 837 to John Anderson, as Advisor to the Company.

John Anderson & Associates
Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ

A Marketing Career with U.S. Bank's Shipping Group

Our client is a major U.S. Bank long established in the City of London.

Due to expansion in its global Shipping Group, an opportunity has arisen for an Assistant, male or female, to join a marketing group with an initial assignment of up to 2 years at the Bank's Head Office in the U.S.A.

In this challenging position you will be expected to progress towards assuming full marketing responsibilities within 6 months. Aged between 26 and 29, you should have some familiarity with the shipping industry as well as experience as a credit analyst in an international environment, analysing multi-national corporate credits.

You will receive an excellent starting salary in keeping with your experience and qualifications. This will be supported by a wide range of benefits normally associated with a first-class Banking Institution.

Please write in strictest confidence enclosing a full curriculum vitae, including present income, together with a recent passport photograph, to: I. G. W. Cluett, at the address below, quoting ref: MC/279/FT. List separately any companies to which your application should not be forwarded. All replies will be answered.



CONFIDENTIAL REPLY SERVICE
Benton & Bowles Recruitment Limited,
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INTERNATIONAL FINANCE CO-ORDINATOR MAJOR ADVERTISING GROUP

London

c. £12,000 + substantial benefits + international travel

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Your Opportunity: To establish financial co-ordination of the companies in the European Region • Budget Administration • Forward Planning • Evaluation of Performance • Financial Analysis of operational activity • Support need identification.

Your Background: Experience in handling overseas divisions or subsidiaries. Ability and interest in appraisal of performance, budgetary control, identification of potential problem areas and contract supervision. Experience in projection of financial effect of operational decisions.

Your Rewards: Generous basic salary + Incentive Scheme + Company Car + BUPA + Life Assurance + Pension Scheme + a career with an industry leader + international travel.

ACT NOW! Telephone or write to the Group's manpower adviser, Tony Barker (Director), on 01-388 2051 or 01-388 2055 (24 hr Answerphone). Ref: 264.

This appointment is open to male/female applicants.



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Merton House, 70 Grafton Way, London W1P 5LN.

Executive Search and Management Consultants

GILT EDGED DEPARTMENT MONTAGU, LOEBL, STANLEY & CO.,

We require an experienced salesman/woman to join our rapidly expanding Gilt Edged Department. The successful applicant will probably be currently employed in this field in either a Firm of specialist Stockbrokers or an Investment Institution.

Salary is negotiable and includes a departmental profit-sharing scheme plus other benefits.

Please reply in confidence to:

Mr. R. A. D. Froy,
Montagu, Loebel, Stanley & Co.,
31, Sun Street,
London, E.C.2.

Deputy Managing Director (Finance)

Philip Morris Nigeria Ltd c. £22,500

Philip Morris Nigeria Ltd. is part of the Philip Morris organisation which is one of the world's leading cigarette manufacturers and distributors, including amongst its brands—Marlboro. It now wishes to make the key expatriate appointment of Deputy Managing Director (Finance). Based in Lagos he will report to the Managing Director and play a major part in the control of the company with particular emphasis on financial matters. This will include the preparation of budgets, profit forecasts and capital expenditure plans. Candidates must be qualified accountants with previous experience as a financial controller in a consumer goods industry. A period spent in Africa or in a

developing country would be an advantage. Starting salary will be negotiated in the range of £20,000—£25,000 plus attractive fringe benefits which include free housing, car with driver, school fees, and one month's home leave after each five month period.

PA Personnel Services

Ref: ES41/42/FT
Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



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CORPORATE FINANCE

A.C.A.

c. £7,000

A London merchant bank, with a very high international reputation, wishes to recruit an additional Chartered Accountant to its Corporate Finance Department. Candidates should have two years' post-qualifying experience, coupled with a keen awareness of international financial affairs. There will be a full training programme, in a highly professional environment which offers excellent prospects for career development.

FOREIGN EXCHANGE DEALER

An international bank seeks an experienced Foreign Exchange Dealer to assist in developing its activities. The ideal applicant will be aged between 25 to 32, with about 3 years' dealing experience with particular emphasis in the spot market. Knowledge of an additional European language would be added advantage. In addition to a competitive salary, usual banking fringe benefits will be provided including a bonus arrangement.

JOINT STOCK BANKER/ TRAINEE LOAN ADMINISTRATOR

An international bank seeks a young person aged in his/her 20's, with a good education and a few years' banking experience preferably gained within a management trainee scheme. The position is as Assistant to the Loans Manager who will personally give full training and, as the majority of the work is with the French-speaking world, the successful applicant must have a good knowledge of French. Experience of international lending is not essential, but applicants must be prepared to work hard in a very active department.

Please Contact: RICHARD MEREDITH or ROY WEBB

170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

ORGANISED FOR TALISMAN?

Our client is a well known firm of institutional stockbrokers with 25 partners and 200 staff. The firm is computerised and has excellent research services.

It is equipped to handle additional business for other firms, associated groups or attachés in London or the provinces.

If you are preparing for Talisman and would like to consider using their highly developed settlement facilities, please contact W. L. Tait for details. Your response will be treated in confidence, if you wish.

W. L. Tait, Touche Ross & Co.,

4 London Wall Bldgs, London, EC2M 5UJ. Tel: 01-588 6644.

Project Sales

A company which is engaged in the financing and supply of plants and is the subsidiary of a major international Group requires a person of intelligence, understanding and ability to sell projects on a world-wide basis.

One requirement is mandatory. The person concerned must have a Degree in Chemical Engineering. We would prefer an age not exceeding 40 and experience in an engineering contractor as sales, process or project engineer. Experience in the project financing section of a Merchant Bank would be relevant.

This position requires considerable travel and the opportunity to use initiative and imagination in obtaining major contracts. A good knowledge of French and Spanish would be particularly appreciated.

The salary will be negotiable. There is a non-contributory pension scheme and a company car will be provided. Applications will be dealt with in complete confidence. Please send your reply including a full curriculum vitae to Box A.6471, Financial Times, 10, Cannon Street, EC4P 4BY.

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Trafalgar Square,
London WC2.

The Centrale Rabobank is the Central Cooperative Organization for some 1100 memberbanks with over 3000 offices throughout the Netherlands. The international banking services for the clients of the Rabobank-group are handled in the headquarters in Utrecht.

In view of the rapid growth of its International Division, the Centrale Rabobank invites applications for the position of

area - manager

This person will be working closely together with a team of international banking specialists reporting directly to the General Manager of the International Division.

The Area - manager will be responsible for the guidance and expansion of activities in his area which may consist of several countries. His major objectives will be to develop and maintain an effective network of correspondent banks and to introduce and represent the bank to government agencies and institutions abroad and support memberbanks in their international business development efforts.

The successful candidate will have extensive experience in international banking, preferably with some exposure to loan syndication and investment banking. He will work independently and must be able to manage a small team of co-workers the number of which will depend upon the development of his area. He must be fluent in Dutch and have a good command of at least two

other languages one of which must be English and the other preferably Spanish.

Preferred age 30 - 40 and education equivalent to University level. A psychological test may be a prerequisite.

The position will offer a good opportunity for advancement to qualified persons. Terms of employment and remuneration will be in line with best banking practice.

For further information, you may telephone:

- Mr. R. R. Lampe
(area-code 0) 30 - 36 23 39 or
- Mr. M. C. Piek
(area-code 0) 30 - 36 23 07.

Please send your written application to:

- Central Rabobank
Personnel Department
Catharijnesingel 20
Utrecht, The Netherlands
mentioning reference BA 3521.N.

Rabobank

Dutch masters in Banking

Group Taxation Manager YORK

We are an international group of companies, based in the UK. This provides scope and also a challenge for the specialist we now seek for our Headquarters in York.

The group taxation manager is responsible for advising the company on all aspects of UK taxation, both corporate and personal, which affect our activities.

We are therefore looking for a man or a woman who is thoroughly versed in all aspects of UK tax legislation, but who also has knowledge and experience of international tax planning. Such a person may well be the deputy to a taxation manager in an international company, the taxation specialist of a smaller concern, or a senior member of the taxation department of a professional firm. This position calls for a measure of determined diplomacy, for personal acceptability at senior levels, and for negotiating skills of a high order, and in making this key appointment we shall put special weight on evidence of such qualities. Age is relatively immaterial, but few people under 40 are likely to have the experience we seek.

This is a senior post and will carry the appropriate level of remuneration.

Please write, quoting ref. B.583, to Miss E. A. Ellison, Staff Office, Rowntree Mackintosh Ltd., York YO1 1XY.



Rowntree Mackintosh

FINANCIAL DIRECTOR DESIGNATE

£7/8,000

Middlesex

Our client is an established manufacturer of specialist capital equipment for the packaging industry with turnover around £3 million, part of a private group. This new appointment arises directly from rapid expansion and further planned growth, particularly in exports.

The successful candidate will assume full responsibility for all aspects of company financial matters: in addition he/she will control data processing and personnel activities.

Candidates must be well qualified, self-motivating and be able to accept the high level of responsibility required. The ability to develop financial and managerial controls and information compatible with the company's growth is most important.

This position will ideally suit a person with sound financial management experience, preferably in capital goods manufacturing, and probably in the age range 30-45. Promotion to full Directorship can be anticipated within 6-12 months.

Send full details of career to date, in full confidence and quoting reference MF 8312 to:

Handley-Walker

Handley-Walker Co. Ltd.,
Management Consultants,
Essex House, 27 Temple St.,
Birmingham B2 5DF.
Tel: 021 643 6472.

Offices in London, Birmingham & Overseas.

Top Financial Appointment

Nr. Manchester

c.£17,500+car

For an enterprising group of manufacturing and marketing companies with an impressive growth record. Turnover is approaching £30 million and further vigorous expansion is envisaged.

An experienced and energetic controller is needed to join the top management team to help with the further development of the company's business and to control its financial affairs.

Initiative and drive are essential qualities. Candidates, who should be qualified accountants, should have had at least ten years' broad industrial/commercial experience in well managed enterprises. Responsibilities must have included all those normally expected of a financial director of a medium size industrial group, including investment appraisal, acquisitions and the financial aspects of overseas operations.

Candidates in their early 40's should be able to justify early appointment to the group board.

Write in confidence, giving concise details of qualifications and experience, and quoting reference 3670/L to E. M. Nell,

Peat, Marwick, Mitchell and Co.,
Executive Selection Division,
165 Queen Victoria Street,
Blackfriars, London, EC4V 3PD.

Wakefield Fortune Financial Controller not less than £10,000+Car

Wakefield Fortune International Limited is an extremely successful and rapidly expanding Travel Agency Company with Branches throughout the United Kingdom.

We require a Qualified Accountant with substantial practical commercial experience to take full responsibility for the operations of our Accounting Division located at South Norwood in South East London.

The ideal candidate will be in the age group 35-45 and should have extensive experience of managing a large computerised accounting department in a competitive environment, handling a high volume of daily input.

It is essential that applicants should be able to demonstrate an outstanding aptitude for administration and the ability to organise and control the activities of qualified and unqualified staff to ensure the smooth and efficient operation of the Division.

Responsible to the Deputy Managing Director, the successful applicant's first responsibility will be to ensure the smooth running of the existing accounting and organisational procedures and to develop these procedures to provide for future growth.

The salary for this appointment is negotiable around £10,000 p.a. and a company car will be provided. Exceptional ability could well command a higher salary.

Apply in the first instance, quoting Ref. No. AM87 to Hughes Owens & Hewitt Ltd., Executive Recruitment Consultants, 6-8, Old Bond Street, London, W.1. All applications will be treated in the strictest confidence.

Adviser on Export Finance

The Confederation of British Industry wants to recruit a Senior Assistant for its Export Promotion Department, dealing with export finance, credit insurance, international investment and aspects of export promotion.

We would prefer candidates with relevant experience in these areas but will consider applications from those whose qualifications (a degree in economics or business studies) and commercial background suggest they could grasp technical issues with training.

The job calls for a fluent pen, an ability to present complex ideas clearly and simply, and a capacity to deal with senior people in companies and government departments.

The salary we offer is in the region of £5500 to £8000 per annum depending on experience and ability.

Please telephone or write for an application form to: Mrs Elaine Ellis, Personnel Department, CBI, 21 Tothill Street, London SW1H 9LP. Telephone 01-930 6711 ext. 5.



The Confederation of British Industry
Britain's Business Voice

PRODUCTION DIRECTOR

£10,000 p.a.

plus excellent fringe benefits

Due to promotion and reorganisation we have a vacancy for a Production Director for a company manufacturing equipment for the aircraft industry. The company is part of a successful quoted group run by professional managers. The Production Director will be responsible for producing £6m worth of goods from the factory in 1979 and for planning and executing all the changes that will be necessary to enable the factory to produce more to suit the known demands of our customers.

He/she must be able to demonstrate a first class track record and bring to the job knowledge, skill and imaginative leadership to suit a business well placed for growth and better profits. He/she will probably be aged around 40 and well qualified. Experience of production practice in the American aircraft industry will be an asset. The job location is desirable and there will be prospects of promotion in a prosperous group.

Please reply in strict confidence with full CV and state relevant achievements to Deputy Chairman, Box A.6472, Financial Times, 10, Cannon Street, EC4P 4BY.

How to succeed as an industrial manager

Industry needs industrial managers who are professional - people who are properly qualified. To this end, Institution of Works Managers, the sole professional body catering for all levels of industrial manager, has its basic courses being run at 185 polytechnics and colleges further education across the country. They are:

- * IWM Certificate: a two-year part-time course leading to Associate Membership.
- * IWM Diploma: a further year's course leading to I Membership.
- * IWM Advanced Diploma: a fourth year's study comparable to doing a university thesis and leading to Fellowship.

These IWM professional qualifications identify the manager's ability, academic knowledge and practical experience.

ENROL NOW FOR A COURSE FOR SUCCESS.

For further details contact:
The Secretary of Membership and Education
THE INSTITUTION OF WORKS MANAGERS
45 Cardiff Road, LUTON,
Bedfordshire, LU1 1RO.
Tel: Luton (0582) 97071



Chief Accountant

We are recruiting, on an exclusive basis, for our client (a major firm of tour operators) a qualified person to take full responsibility for the company's financial operation.

Because of rapid expansion, great scope exists for developing ideas and concepts, herein an important contribution needs to be made in planned computerised systems implementation. Accordingly, as well as the need to be a competent, technical accountant, strong motivational abilities are required.

In due course some overseas travel of short duration will be required within Europe.

Salary and conditions are fully negotiable and will relate to relevant suitability.

For further information contact: Philip Griffiths, Drake Accounting, Recruitment Consultants, Ormond House, 63, Queen Victoria Street, London EC4A 4UA. Tel: 01-248 3283

Financial Advertising

New Sales Opportunity

The *Investors Review*, a successful and long established financial magazine, is now implementing the initial stages of an important development programme. We need a young, self-motivating Advertising Sales Executive to fill a new post to sell effective advertising space to financial institutions, companies and advertising agencies.

You must have proven space selling experience in publishing, a good track record, and, ideally, some knowledge of financial advertising. Salary and commission will be good and negotiated and there are excellent prospects of promotion.

Telephone today for an appointment and an application form to Donald Antcliffe, Investors Review, 100 Fleet Street, London EC4A 3DF. Tel: 01-353 2581.

INVESTORS REVIEW

Financial Director

Required for the head office of a large group with mining and metallurgical complexes in Central Africa, to co-ordinate and direct financial policy and strategy with the aim of optimising profitability and protecting the group's interests.

The group with 26,000 employees and total assets of £400,000,000 has a current turnover (depressed) of £175,000,000 which should increase to £250,000,000 plus.

The accounting function is well served by advanced reporting and highly sophisticated computerised facilities.

Candidates must be qualified accountants with relevant experience at senior level in industry. Salary negotiable around £20,000 plus. Car provided plus comprehensive and attractive overseas benefits.

Please send relevant details in the first instance, to: Thorne Lancaster & Co., Hill Gate House, 26 Old Bailey, London EC4M 7HF

صالح من الصالح

Berk

CSL

c.£14,000 + car

EUROPEAN FINANCE MANAGER

The Company An international American group specialising in the sale and service of process control systems for the paper and plastic manufacturing industries. The group, which has subsidiaries throughout Western Europe, has an impressive record of growth over the past five years and worldwide sales are currently in excess of US\$60 million per annum, of which over US\$25 million are generated in Europe.

The Job He or she will join a small headquarters team to assist the Director of Finance for Europe in the financial planning and control of European operations. Main areas of emphasis will be in raising funds, managing foreign exchange positions, cash management, insurance, tax planning, the appraisal of operating results and the review of financial operating procedures.

Candidates Preferred age early thirties. Original training with an international audit practice leading to an accounting qualification. Substantial experience since of the treasury function, which must include raising funds in Europe. A service industry or manufacturing background would be helpful.

The Package Salary negotiable around £14,000. Car. For the candidate who succeeds in this job promotion prospects are excellent. Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to J. G. Cameron, Executive Selection Division at the address below. Please quote reference CF348 and include, if possible, a daytime telephone number at which you may be contacted.

COOPERS & LYBRAND ASSOCIATES LTD.

Management Consultants
Shelley House, Noble Street, London, EC2V 7DQ.

TAX PARTNER CITY

An established national firm of Chartered Accountants has an exceptional opportunity for a tax specialist in its rapidly expanding tax department. Increasingly, demands are being made on the department by client companies, individuals and other professional firms. The department has a strong research team, good library facilities and emphasis is given to tax planning.

Candidates, male or female, must be Chartered Accountants but may have specialised out of the profession. In addition to the highest professional skills, they should possess the personal qualities that will enable them to contribute to the continued growth of the firm. The present partners are practising Christians and would hope that applicants will share their outlook. Salary and profit share will be very attractive and are negotiable.

Please apply:
Sir Timothy Hoare,
Chichester House,
Chichester Rents,
London WC2A 1EG
01-242 5775

Career plan

DEMINEX IRELAND

Is a member of the

GERMAN INTERNATIONAL OIL GROUP DEMINE

The company, which is located in Dublin and Galway, intends to fill the following vacancy very shortly. An attractive salary for the right person is negotiable.

GEOPHYSICIST

The geophysicist should have a broad experience in modern seismic processing techniques, in interpretation and in structural as well as stratigraphic seismic mapping. He/She will be engaged in all aspects of our extensive seismic coverage of the North Western European Shelf.



Please apply in confidence to:

DEMINEX IRELAND LIMITED
Marine House, Clonwilliam Court,
Lower Mount Street, Dublin 2.
Telephone: Dublin 760324/760325

SUPERANNUATION ARRANGEMENTS OF THE UNIVERSITY OF LONDON

Assistant to the Secretary

£3639 - £5732

This new post, which it is desired to fill as soon as possible, has been created in response to rapid growth in the scheme, as well as legislative and related pressures.

The person appointed will assist the Secretary and also carry out research in connection with all aspects of the scheme, but particularly the technical, legal, negotiatory and communications aspects.

Candidates, if not recent graduates in some relevant discipline, such as economics or statistics, will be experienced in pensions work. The successful candidate will be expected to make, or to make, progress in appropriate professional qualifications.

The post is provisionally on the Academically Related Grade 18 (£3,639-£5,732 inclusive of London allowance, under review) and other benefits include 6 weeks annual leave and membership of the Universities Superannuation Scheme.

Further details are available from Personnel Officer, University of London, Senate House, Malet Street, London W.C.1. Closing date for receipt of applications 27 September 1978.

AREA OFFICER EASTERN EUROPE

Leading International Bank is seeking an intelligent common sense banker who will provide strong background support to the area Representative. The incumbent will be directly responsible for the preparation and evaluation of lending opportunities and country reviews, requiring him/her to maintain and analyse background on all data relating to the area. The successful applicant will have several years' banking experience with a lending background, ability to work on own initiative, knowledge of economics.

Anticipated age range is 25-30 with a salary of £6,500/£7,500 plus usual banking benefits. Applications in strict confidence to Box A.6467, Financial Times, 10, Cannon Street, EC4A 4BY.

The Investors Chronicle

Britain's leading financial and business weekly, is looking for a

Top Financial Writer

with specialist experience of banking and the financial institutions, to take responsibility for the paper's coverage in these areas.

A candidate from outside journalism would be considered if sufficiently experienced and able to prove ability to write.

This is a senior position with commensurate salary. Applications to The Editor, Investors Chronicle, Greystoke Place, Fetter Lane, London EC4A 1ND.

City Merchant Bank and Accepting House

requires clerk for its loans administration section dealing in interesting and varied portfolio. Attractive salary and benefits offered for someone with appropriate experience.
PHONE 01-623 9333 EXT. 2584 FOR APPLICATION FORM

BANK SUB MANAGER/ACCOUNTANT

required for rapidly expanding banking concern. Ultra modern offices Holborn. Could suit retiring bank official. Apply Box A.6473, Financial Times, 10, Cannon Street, EC4A 4BY.

Foreign Exchange

Chief Dealer Paris

A leading International Bank is seeking a Chief Dealer for its Foreign Exchange Department in Paris.

After a brief spell in London, the successful candidate will spend up to two years in Paris, and then continue his or her career in London. The bank, already a major force in the eurocurrency deposit and foreign exchange markets, is expanding these services rapidly and career opportunities are considerable.

Applicants, aged late twenties to mid thirties, should have had at least five years relevant dealing experience, preferably in both London and Continental Europe, be fluent in French and English, and able to lead and manage a small team.

An excellent U.K. remuneration package is offered, which, with overseas allowances, will be equally attractive in Paris.

Please write with career details, in complete confidence, to Ian H. D. Odgers, quoting Ref. 987.

Odgers
MANAGEMENT CONSULTANTS

Odgers and Co. Ltd.,
One Old Bond Street,
London W1X 3TD
Tel: 01-499 8811

Laurie, Milbank & Co

Members of the Stock Exchange

CORPORATION FINANCE

A senior position exists in our Corporate Finance Department. Accounting or legal qualifications would be an advantage as well as good working knowledge of the Stock Exchange Yellow Book and 'Take Over' Code. The individual selected will have the ability to carry out detailed negotiations and to chair meetings. This appointment offers excellent prospects and above average remuneration.

INVESTMENT ANALYSTS

We are now seeking to strengthen and expand our Research Department and would like to hear from any bright and well qualified analysts (aged 30 or under) who might wish to consider joining the Laurie, Milbank research team. Specialist knowledge in Foods & Stores, the Financial Sector, Engineering or Oils and Chemicals is particularly required and experience within an investment institution would be an advantage. Initiative and hard work will be generously rewarded.

Please write giving full details to:

A. D. Hyman,

LAURIE MILBANK & CO.,

Portland House, 72/73 Basinghall Street, London EC2Y 5DP

Loan Officers International Banking

SECURITY PACIFIC, a leading international bank, with assets of \$20 billion and over 550 branches worldwide, invites applications from experienced Corporate Bankers/Credit Analysts, male or female, for positions in its United Kingdom Division. Significant expansion within this Division has created opportunities for prospective Lending Officers to market the Bank's services to U.K. based domestic and multi-national corporations.

The Bank offers a full range of services to its customers throughout the world and the responsibilities of these positions will include credit control and analysis and the development and servicing of new Corporate relationships. These assignments offer long term career development opportunities for

self starters who can demonstrate negotiating skills and client handling ability and are ready to accept the challenge of producing results in a competitive environment.

You should hold a degree or professional qualification and have a strong background in financial analysis. Highly attractive salaries will be commensurate with qualifications and experience and we offer a full range of generous fringe benefits.

Career details should be sent to: Patrick J. O'Hara, Assistant Vice President, Security Pacific National Bank, 2 Arundel Street, London, WC2R 3DE.



MANAGERS—BUSINESS DEVELOPMENT

AUSTRALIA c. \$Aus. 18,000

A major International Finance Group based in the United Kingdom which specialises in the financing of international trade, seeks financial executives to develop its business in Australia.

These are progressive opportunities which could lead to Board appointments and will be based in Sydney and other large cities in Australia. The Managers will be responsible to the local Board of Directors for implementing the Group's marketing policies which will include visits to clients in order to analyse their business requirements and then to structure a service to meet their demands.

Applications are invited from financial executives aged in their late twenties to early thirties who have been partly trained in the United Kingdom. Experience in overseas trade finance will be a distinct advantage.

United Kingdom residents seeking to emigrate to Australia are invited to apply on the basis that no relocation expenses will be provided.

The successful candidates will be offered a negotiable salary of c. \$Aus. 18,000 together with other executive benefits. Please write with full particulars to Box A.6470, Financial Times, 10, Cannon Street, EC4A 4BY.

FEDERATED INVESTMENT ANALYSIS AND RESEARCH

INSURANCE COMPANY LIMITED

SALE, CHESHIRE

We require an Investment Analyst to work at our Head Office reporting directly to the Investment Manager. The successful applicant will be capable of handling company reviews, cash management, providing investment statistics and assisting in the formulation of investment policy. A suitable professional qualification and relevant experience are essential.

Federated is a rapidly expanding company within an international group, offering excellent career prospects.

A competitive salary is offered together with first-class staff benefits. For an application form please contact:

Mr. J. Swain, Personnel Manager
Marsland House, Marsland Road, Sale, Cheshire M33 3AQ.
Tel. No. 061-969 7311

Challenging Job Opportunity in Prestel, The Post Office Viewdata Service

Head of Finance and Management Services

£11,000 plus p.a.

In early 1979 the Post Office will launch Prestel, the world's first viewdata service. Prestel—an important new communications medium—will enable business and residential customers to read on their TV screens hundreds of thousands of pages of information supplied by every sector of the publishing industry, and stored in central Post Office computers. The project is an exciting and challenging one with wide-ranging economic and social implications for the UK and with export opportunities for British industry. The service will have a five-year investment programme of £100m.

The Post Office is now seeking a Head of Finance and Management Services to take full responsibility for all financial planning, control, and accountancy aspects of the Prestel service. The successful candidate will report to the Director of Post Office Viewdata, who is directly responsible to the Managing Director of Post Office Telecommunications.

The job, which is open to men and women, calls

for a qualified accountant with significant achievement in a market-orientated business.

Apart from possessing personal qualities of determination and drive, the ideal candidate is likely to have gained experience of financial planning, financial analysis, setting up and operating modern accounting systems involving tight budgetary control and market-orientated costings.

The starting salary will be negotiable in excess of £11,000 p.a. (including London weighting and pay supplement). There are attractive conditions of service and a contributory pension scheme.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent within 3 weeks of the date of this advertisement to:

Mrs. J. E. Gallagher, Ref. B.109,
Telecommunications Personnel Department,
Room 417A, 2-42 Gresham Street, London EC2V 7AG.

Post Office Telecommunications

BANKING

The Co-operative Bank is expanding at an unusually fast rate. From a well-established base as a member of the London Clearing Banks, we have developed a full range of customer services, which have produced exciting results, in terms of growth.

As part of our development programme, we now wish to expand further our corporate banking business and are looking for an experienced banker to undertake this important role and to take charge of a small, highly motivated team.

You will be based in Manchester, probably be in your late thirties, and be able to demonstrate a record of

proven commercial experience at a senior management level.

We offer a salary based upon the responsibility involved, together with the complete range of normal banking benefits including assistance with relocation expenses.

If you feel you could fit within our stimulating environment, write with full details to:

R. J. Gorvin, Personnel Manager,
Co-operative Bank Limited,
P.O. Box 101, New Century House,
Manchester M60 4EP

CO-OPERATIVE BANK **Co op**

NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

21st September

The Financial Times proposes publishing three pages of Newly Qualified Accountancy Appointments on 21st September following the publication of the results of the Finals Examinations.

If you are expecting to qualify, the Financial Times intends to publish the widest possible range of opportunities open to you.

If you are recruiting "Newly Qualifieds" the advantages of advertising in the Financial Times are considerable—the cost is £14 per single column centimetre—copy can be accepted until the day before publication—and the Financial Times has established an enviable reputation in this field.

For further details, including reprints of previous features, contact:

James Jarratt
on 01-248 4601 (direct line)
or 01-248 8000 ext. 588

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Bracken House, 10 Cannon Street, London EC4A 4BY.
Telephone 01-248 8000.

Financial Director-Designate

Five Figure salary plus car

The Altergo Group comprises ten companies which together have become one of the largest independent international computer consultancies. We are a young, very successful and still expanding organisation. Our inception year of 1969 saw a total turnover of £22,000. Our projected target turnover for 1978 is over £6 million.

Not unnaturally in appointing a qualified accountant, preferably Chartered, who will soon be given the opportunity to demonstrate suitability for full Board status, we are keen to find an individual whose commercial outlook matches our own.

This is a new position, which will require you to take complete control of both financial and management accounting. With clients in over 40 countries and Altergo offices in the USA, Sweden, Ireland, Australia and the UK, your work will involve fairly heavy international transactions, and some travel abroad.

Ideally aged in the mid-thirties, you must have high level financial control experience with some background in international transactions as an added advantage. But just as important, we need the kind of determined 'coats-of-arms' qualities which will direct our efforts towards even greater returns. Tempered, of course, by a clear and astute perception of the strategies a business like ours should follow.

As we've said, we're ready to pay a five figure salary and provide a car. You should gain your Directorship within 12 months. Add to this the possibilities offered by a future just as successful as our recent past, and you can see that this is a remarkable opportunity.

Please write fully to: The Chairman, Altergo Limited, 38 Soho Square, London W1.

altergo

PERSONAL TAXATION

Central London £10,000

The Appointment

As a senior member of a team providing specialist tax advice to individuals whose diverse interests present a constant challenge both on a day to day basis and in the area of longer term planning.

The Candidate

Currently in practice or in a company providing similar personal taxation services, candidates should demonstrate both technical expertise and the ability to communicate at all levels. Probably professionally qualified, it is envisaged that they will be 28-40 although applicants outside this age range, will be seriously considered.

If you wish to be considered for this appointment, telephone or write to Nigel V. Smith, A.C.A., quoting reference 2225.

Douglas Lambias Associates Ltd.

10, Grosvenor Gardens, London W1K 3RQ
Tel: 01-499 5951
Telex: 250000
Fax: 01-499 5952



Portfolio Accountants Bermuda

An unusual opportunity to work on the sunshine island of Bermuda.

The Bank of Bermuda needs Portfolio Accountants for the Corporate Trust Services Department. They would be responsible for the accounting of a group of Mutual Funds, Trusts and Companies, including the maintenance of accounts and the preparation of financial statements, and work closely with management in the trust and investment field.

Preference will be given to applicants with an intermediate standing in a recognised Institute or Society of Accountants and with two to five years experience in an accounting environment. The tax free salary would be commensurate with experience and background and there are generous staff benefits.

Interviews will be arranged in London at the beginning of October. Meanwhile write, including a resume of education, experience, personal details and current salary, to The Bank of Bermuda's London Representative:

B of B (Europe) Ltd.,
Grocers' Hall, Princes Street,
London, EC2R 8AQ.



THE BANK OF BERMUDA LIMITED

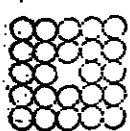
Financial Accountant

Central London £7,500+

An industrial holding group requires a young Chartered Accountant to consolidate the results of its associated companies, assess the implications for General Management and undertake some investigations.

This challenging new appointment requires a man or woman in their mid-twenties, with about two years' related experience since qualifying and now ready for wider responsibility. It calls for a systematic approach, an enquiring mind and an ability to work with the managements of its varied subsidiaries.

If this meets your career aims and you can match these requirements, please contact:



Montague Jones,
PMB/Endicott & Associates Limited,
Management Selection Consultants,
Premier House, 150 Southampton Row,
London WC1B 5AL Tel: 01-278 3117



FINANCE DIRECTOR - EUROPE

Transport International Pool, world leader in trailer rentals and part of an international transport management group whose sales exceed US \$300 million, requires a Finance Director - Europe.

Based in Amsterdam and reporting to the Managing Director - Europe, the position includes responsibility for accounting, administration, treasury, E.D.P. and legal matters for the company's 37 branches in eight countries of Europe.

The ideal candidate (male/female) will have a professional qualification in accounting or business administration and will have had 5 to 10 years as a Finance Director or Controller with a multi-national, service-related company. Fluency in one or more European languages in addition to English would be advantageous.

The company is expanding rapidly, and the post offers excellent opportunities for a performance-orientated financial person.

Salary and benefits will be on a scale commensurate with the importance of this senior appointment and will include a company car.

Write in confidence, to J. A. Cleary, Transport International Pool Ltd, Star House, 69-71 Clarendon Road, Watford, Herts.

Transport International Pool

FINANCIAL CONTROLLER

Financial Controller required by a Group of Private Companies in Essex engaged in the wholesale and retail meat trade. The new post involves the preparation of monthly management accounts and annual accounts together with the supervision of all accounting and related administrative functions. The commencing salary envisaged is circa £6,500 p.a. A company car will be provided and there will be participation in the Company Pension Scheme after a probationary period. Please write with full personal details and C.V. to:

C.H.C., Runcorn Chambers,
11 Market Place, Runcorn,
Essex WA1 3AB, reference P.M.

MAJOR TOURIST COMPLEX IN CAIRO

PROJECT MANAGER

to control a major planned development comprising a new complex in Cairo comprising Hotels, Restaurants, Shopping, Sports Centre etc. Applicants to have about 12 years experience in the construction industry and will probably hold a degree in civil engineering.

The group also invites applications for the post of

QUANTITY SURVEYOR

responsibility will be to the Project Manager. Applicants to have about eight years' experience and would suit either a fellow or associate of the Institute of Chartered Surveyors. In both appointments Arabic would be an advantage but not strictly necessary. Salary by negotiation. Initial contract is for a two-year period but candidates of proven ability can look forward to excellent prospects.

Please write in confidence to:
Tourism Centre,
13/14 Hanover Street,
London W1.

APPOINTMENTS WANTED

IF YOU ARE an investment manager or stockbroker seeking a new source of income see Business and Investment Opportunities.

LONDON BASED chartered engineer (machine tool specialist) retiring soon but seeks further activity. Write Box 18622, Financial Times, 10, Cannon Street, EC4A 3DF.

COMPANY NOTICES

THE VAN DIEMEN'S LAND COMPANY

NOTICE IS HEREBY GIVEN that the 15th Annual General Meeting will be held at 317 High Holborn London WC1C 1JL on 19th October 1978 at 12 o'clock noon.

By N. F. NYLAND Secretary

PUBLIC NOTICES

CORPORATION BILLS

£2.0m. 10% 13th September 1978, due 13th September 1978, to mature 13th September 1978. Applications invited £15,000,000. Total bills outstanding £2,500,000.

NETROPOLITAN BOROUGH OF SANDWELL

£1,750,000. 10% 13th September 1978, due 13th September 1978, to mature 13th September 1978. Applications invited £15,000,000. Total bills outstanding £2,500,000.

ART GALLERIES

JAMES GALLERIES, 100, Regent Street, London W1. Specialising in British and French Modern Paintings, Sculpture, and British Maritime Pictures. 22, Albemarle Street, Piccadilly, W 1.

CLASSIFIED ADVERTISEMENT RATES

Commercial & Industrial Property, 4.50 per line per week. Residential Property, 3.50 per line per week. Business & Investment Opportunities, 4.50 per line per week. Law, Professional Services, 5.50 per line per week. Education, 4.50 per line per week. Miscellaneous, 4.50 per line per week.

Applications for this career appointment should be made to a person who has a basic accounting knowledge and should have had several years experience in a banking or other financial environment.

An excellent starting salary will be paid in addition to usual company benefits - and many more.

Applications, please, to:

E. Santry
QUEST CONSULTANTS LTD.
12 Margaret Street, London, W1
Telephone 01-580 2697

TOKYO Chief Dealer

A major international bank wishes to appoint an experienced dealer to establish a dealing operation in its Tokyo office.

The successful applicant is likely to be aged between 30-35, and to have, in addition to a wide dealing experience, the personal qualities necessary to establish and lead a small team. As he will also be required to assist in setting up the relevant accounting system, a knowledge of these procedures is essential. A working knowledge of French would be an advantage.

The vacancy offers scope for personal advancement within a large organisation, and the terms and benefits are those normally associated with a first-class bank.

Interviews will take place in London, and an initial tour of three years is envisaged. Interested applicants should write, giving full details of personal background and professional experience in the first instance to:

Streets
Recruitment Advertising Division
Confidential Reply Service

P.M. Johnstone
Streets Advertising Limited
11 New Fetter Lane
London, E.C.4.

indicating the names of any companies to whom you do not wish your applications to be forwarded.

COMPANY NOTICES

ALEXANDER FUND S.A.

Société Anonyme
Luxembourg, 37, rue Notre-Dame
R.C. Luxembourg B 7635

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of shareholders of Alexander Fund S.A., a société anonyme organized under the laws of the Grand Duchy of Luxembourg, will be held at the offices of Kredietbank S.A., Luxembourg, 43, bd. Royal, Luxembourg, at 11.00 a.m. on October 3rd, 1978, specifically, but without limitation, for the following purposes:

1. To hear the reports of the Board of Directors and of the Statutory Auditor;
2. To approve the Balance Sheet and the Profit and Loss Statement and allocation of the results as at June 30, 1978;
3. To discharge the Directors and the Statutory Auditor in respect of the fiscal year ended June 30, 1978;
4. To elect Directors and a Statutory Auditor;
5. Miscellaneous business.

The conduct of the shareholders' meeting shall be governed by the quorums required by law. Resolutions at the shareholders' meeting shall be passed by a simple majority of those present and voting, except as otherwise required by the law. Subject to the limitations imposed by law and the Articles of Incorporation, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

Dated: September 1, 1978.
By order of the Board of Directors

GRANGES AS

The Granges Group Company

6 1/2% LOAN 1987

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30, Gresham Street, London EC2P 2EB. 14th September, 1978.

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The business to be transacted at the meeting is as follows:

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£500 Bonds			
3500 to 3512	3516 to 3528	3532 to 3544	3548 to 3560
3564 to 3576	3580 to 3592	3596 to 3608	3612 to 3624
3628 to 3640	3644 to 3656	3660 to 3672	3676 to 3688
3692 to 3704	3708 to 3720	3724 to 3736	3740 to 3752
3756 to 3768	3772 to 3784	3788 to 3800	3804 to 3816
3820 to 3832	3836 to 3848	3852 to 3864	3868 to 3880
3884 to 3896	3900 to 3912	3916 to 3928	3932 to 3944
3948 to 3960	3964 to 3976	3980 to 3992	3996 to 4008
4012 to 4024	4028 to 4040	4044 to 4056	4060 to 4072
4076 to 4088	4092 to 4104	4108 to 4120	4124 to 4136
4140 to 4152	4156 to 4168	4172 to 4184	4188 to 4200
4204 to 4216	4220 to 4232	4236 to 4248	4252 to 4264
4268 to 4280	4284 to 4296	4300 to 4312	4316 to 4328
4332 to 4344	4348 to 4360	4364 to 4376	4380 to 4392
4396 to 4408	4412 to 4424	4428 to 4440	4444 to 4456
4460 to 4472	4476 to 4488	4492 to 4504	4508 to 4520
4524 to 4536	4540 to 4552	4556 to 4568	4572 to 4584
4588 to 4600	4604 to 4616	4620 to 4632	4636 to 4648
4652 to 4664	4668 to 4680	4684 to 4696	4700 to 4712

£100 Bonds			
11162 to 11168	11172 to 11178	11182 to 11188	11192 to 11198
11202 to 11208	11212 to 11218	11222 to 11228	11232 to 11238
11242 to 11248	11252 to 11258	11262 to 11268	11272 to 11278
11282 to 11288	11292 to 11298	11302 to 11308	11312 to 11318
11322 to 11328	11332 to 11338	11342 to 11348	11352 to 11358
11362 to 11368	11372 to 11378	11382 to 11388	11392 to 11398
11402 to 11408	11412 to 11418	11422 to 11428	11432 to 11438
11442 to 11448	11452 to 11458	11462 to 11468	11472 to 11478
11482 to 11488	11492 to 11498	11502 to 11508	11512 to 11518
11522 to 11528	11532 to 11538	11542 to 11548	11552 to 11558
11562 to 11568	11572 to 11578	11582 to 11588	11592 to 11598
11602 to 11608	11612 to 11618	11622 to 11628	11632 to 11638
11642 to 11648	11652 to 11658	11662 to 11668	11672 to 11678
11682 to 11688	11692 to 11698	11702 to 11708	11712 to 11718
11722 to 11728	11732 to 11738	11742 to 11748	11752 to 11758
11762 to 11768	11772 to 11778	11782 to 11788	11792 to 11798
11802 to 11808	11812 to 11818	11822 to 11828	11832 to 11838
11842 to 11848	11852 to 11858	11862 to 11868	11872 to 11878
11882 to 11888	11892 to 11898	11902 to 11908	11912 to 11918
11922 to 11928	11932 to 11938	11942 to 11948	11952 to 11958
11962 to 11968	11972 to 11978	11982 to 11988	11992 to 11998

On 15th October, 1978 there will become due and payable upon each Bond drawn for redemption the principal amount thereof, together with accrued interest to said date at the office of:-

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Interest will cease to accrue on the Bonds called for redemption on and after 15th October, 1978 and Bonds so presented for payment must have attached all coupons maturing after that date.

£2,030,000 nominal Bonds will remain outstanding after 15th October, 1978.

The following Bonds from earlier redemptions have not yet been presented for payment:-

1977 - 9760 to 9762 10016 10017 10087
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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Dracula by B. A. YOUNG



Terence Stamp and Rosalind Ayres

Leonard Burt

The elements of Bram Stoker's joins in the pursuit and is of the current New York produc- novel have been neatly concen- sated into a day and a night at the house of Dr. Seward, and nothing essential is missing. Dr. van Helsing comes from Holland to investigate the mysterious illness of Seward's daughter Lucy. Count, pursued around the stage by a white fellow-suit, flutters his black velvet cloak with an aristocratic display of evil. But the production under Lucy's fiancé Jonathan Harker Dennis Rosa, who is the director

Seward and Harker, with a consistent understanding of the genre, but the overt comedy is wildly overplayed. Marilyn Galsworthy turns the maid into something from a comic film-cartoon. As for Nickolas Grace as the zoophagous Renfield, he gives a display of unrestrained acrobatics that in another context I should have found admirable but for a simple madman in a nursing-home strike me as irrelevant.

Inside Terence Stamp's gentlemanly Dracula a genuine vampire can be clearly discerned. I suppose it is his long absence from the stage that makes him so reluctant to give adequate emotion. His scene with Lucy on her bed—Rosalind Ayres, her complexion as white as her dress, should be glowing with sex, but Mr. Stamp is so courteous that I feel sure he said "Do you mind?" before tearing open that fatal vein in his chest.

Edward Gorey's scenery, and the creepy effects like the black-and-white drawings in Mr. Gorey's familiar macabre manner. Dracula's coffin, in a lofty vault across which a rat runs without fear, is tilted so that we can see him melting away after Harker has poked the tip of the eight-inch stake into his breast. Mr. Stamp disappears well. He would never have got as far as that coffin if he had not very cleverly turned into a bat in mid-stage in the previous scene. He should now infuse as much effect into his appearances.

Polytope at Mycenae

by DOMINIC GILL

Mycenae lies, as Homer says, in a fold of the mountains; in the innermost part of horse-pasturing Argos, half-hidden from the plain, commanding all the exits from Argolis into Corinthia. Perseus was the first founder of the city; later the fated house of Atreus were rulers there. It was from Mycenae that Agamemnon, son of Atreus, set out to sail to Troy; and it was to Mycenae that Agamemnon returned to meet his death at the hands of Clytemnestra his wife.

For its very antiquity, as well as its rich patina of poetry, history and myth, Mycenae has always been a place of special fascination for Hellenists: together with its neighbour Argos, one of the two oldest cities of Greece, the cradle of the first great European civilisation. The Franco-Greek composer, mathematician and architect Iannis Xenakis first saw Mycenae on a school excursion when he was 14. "The beauty of the site, the evocative ruins and the strange tombs made a vast and implacable impression. What I saw looked familiar, but also extraordinary, as if it belonged to another world. I buried this memory deeply. Then, 40 years later, as soon as I was free to return to Greece, the first thing I did was to visit this same place, driven by what I instinctively felt was necessary and primordial.

In the meantime, it had been proved that Mycenae was indeed a golden link in the chain of Greek civilisation. Yet nothing for me had changed: the ruins are still vivid enough to remind the present day of its vanity and arrogance; and in reminding the Greeks themselves both of their amazing historical continuity for at least 3,600 years, and of their consequent obligation to create new and original life-forms worthy of the five tremendous summits of their past—the archaic (mycenaean), the archaic, the classic, the hellenistic and the byzantine. It was precisely during this second visit that it came to me to attempt an 'artistic revival' on the scale of the Mycenaean citadel itself—*Polytope de Mycenae*.

It was hardly surprising that the polymath Xenakis should combine his talents to pursue music into "metamusic" — a multi-medium synthesis, usually co-ordinated by mathematical schema, of sound, light, colour, shape and movement called *Polytope*. Mycenae's was not the first. Twenty years ago Xenakis designed the Philip Pavilion for the Royal Fair in Brussels, and composed for it a "musical intermission" called *Concert PH*. In 1967 he contrived a *Montreal Polytope* for four orchestras and lights; in 1970 *Hiki-Hana-Ma*, a complex audio-visual spectacle for the Osaka Expo; in 1971 a *Polytope* for the night landscape of Persepolis; two versions of a

Polytope for the mediaeval abbey of Cluny in Paris in 1972 and 1973; and this summer an unearthly *Danteo* in a red plastic tent outside the Centre Beaubourg—deafening 45-minute essay in heaven-storming technology, a Brownian Dance in sight and sound, ultimate trip for hi-tech sci-fi freaks.

Xenakis' *Polytope* for Mycenae, which played to capa-

city audiences of 10,000 people each evening after sunset on four nights last week, was more than merely a combination of concert and light-show—it could be imagined certainly the biggest and grandest essay in son et lumière ever conceived in Europe. The scale of the undertaking was vast: we sat on the hillside facing the citadel, half a mile of valley between us, Mount Elias towering behind. As darkness fell, and a choir of women and children began gravely to intone a setting of texts from Euripides' *Hecuba* from a platform set directly under the battlements of the town, the acropolis, Agamemnon's royal palace at the summit, was bathed suddenly in light.

The whole region seemed to have been animated for the occasion—not *Polytope* merely, some of the peak of splendour, memorable night, some of the most powerful moving. The Anti-aircraft treasures from the city's tombs only brief gaps in continuity were projected against the city's were those accidentally provided silver walls. There were silences, by the composer, once or twice too, and darkness, the sky suddenly forgetting his crucial role denly immense, the night air as co-ordinator entirely, gazing kilometres distant, as the beacons alive with the perfume of wild up at the stars.



View of Mycenae from the opposite hillside

There were fireworks at the occasion; and live performances. Xenakis' *Psappha* and *Perephassa* for percussion along the foundations of the citadel that seemed to engulf its around our stand, and orchestral walls. A line of soldiers carrying burning torches wound slowly down from the palace to the Lion Gate. The music ended with Xenakis's suite of *Orestia* for choir and instruments: exuberant climax, while a procession of children passed among us bearing a triquetra of Achaean kings, and offering flowers and branches to those nearby.

Book reviews are on Page 17

While the musical sequence continued, ten score and more children from the region shaped Mycenaean designs with torches in the valley below us: unblinking stars above, and below, shifting constellations, winking patterns of light. A huge fire blizzard fitted smoothly. It was a splendid, memorable night, some of the most powerful moving. The Anti-aircraft treasures from the city's tombs only brief gaps in continuity were projected against the city's were those accidentally provided silver walls. There were silences, by the composer, once or twice too, and darkness, the sky suddenly forgetting his crucial role denly immense, the night air as co-ordinator entirely, gazing kilometres distant, as the beacons alive with the perfume of wild up at the stars.

La Bohème by ELIZABETH FORBES

The English National Opera is lucky — or clever — in finding singers for the cast changes in the production of *La Bohème*. At last night's performance of Puccini's ever-youthful masterpiece there were three new principals, all of whom fit without awkwardness into the production. Fluently rehearsed by seven Pimlott, Henry Howell is at first sight or sound a particularly romantic Rudolph; even the arrival in the Bohemians' camp of Mimì does not altogether spoil his reserve of manly though he sings "Your tiny hand" with evident sincerity. But for

the third act at the Barrière d'Enfer he summons up both warmth of tone and real eloquence of phrasing. Patrick Wheatley's Marcel makes him the leading spirit in the young men's horseplay and effectively underlines the totality of his surrender to Musette. His sturdy voice fills the Coliseum's large auditorium without strain, though the theatre is ideally too big for this, the most intimate of all Puccini's operas. Eiddwen Harriv, a delicate, gentle Mimì, fills the house with beautifully focused tone; very occasionally she sacrifices her words to the

character, the flirtations 'tease who so exasperates poor Marcel, and the warm-hearted girl discerned by Mimì, in near-perfect proportions. At this revival she — and indeed all the cast — is greatly helped by the conductor, Ian Reid.

Refusing to inflate the score beyond its natural scope, Mr. Reid obtains nicely balanced playing from the orchestra. He does not wear his heart upon his sleeve, and there is little or no overt sentimentality in his reading; but there is, however, plenty of genuine feeling to give humanity and depth to the Bohemians' sorrows and joys. He achieves a crisp, almost febrile air of celebration for the scene outside the Café Momus, and shapes the third act in one single, arching span that easily accommodates the tender, regretful memories of one couple as well as the hot-tempered bickering of the other pair.

Covent Garden

Die Walküre by RONALD CRICHTON

Tuesday's *Walküre* started promisingly with vivid playing from the orchestra under Colin Davis and tense, expectant singing from Helga Dernesch as Siegmund and Peter Hofmann as the ill-identified Siegmund. At first there was promise after the absurd, obscure scuffle in the forest during the prelude, after which the stage hands have to set out Hunding's furniture down by the footlights—hard to do noiselessly. Later in the scene, Davis began to muffle the music, hitting down the tone when he wanted support for the twins' voices to warm up and expand. Hofmann in any case was singing below his best form. The colour of Dernesch's middle voice, individual and beautiful, did not quite make up for a feeling that the lyrical phrases were not being given full value.

The excellent Hunding of Tage Haugland was an exception. Here everything—voice, vision of musical phrase and physical gesture—was right. Phrasing is not merely strict observance of note values, but balance and proportion within the whole phrase—good singers

satisfy even if they do come off the note a fraction too soon. Otherwise only the sterling Fricka of Josephine Veasey fully reached the expected standard, and Fricka needs (and receives) strong, ringing declamation more than lyricism. This is a little unfair on the Brünnhilde of Gwyneth Jones, whose announcement to Siegmund would have been cogent enough if one could have heard more of the words, and whose final plea to Wotan in the third act was strongly and firmly sung—the voice is in fine condition. Production and costume did much to disguise this artist's very likeable personality—this Brünnhilde sings "War es so schmachlich" crouched like a toad in the shadow of a huge rock.

Donald McIntyre, about the most experienced Wotan of the day, was at his most telling in the moods of grumbling and scolding—which means about two thirds of the role. Though the voice is much steadier than it has always been recently, he began to tire, as many Wotans do, just at the point in act three where one wants the line to flow most freely. The slight look of Hitler in act two, with the eyeshade like a forelock and a hint of a tooth-brush moustache (unintentional result of too much top lighting?) is unworthy and should be removed. Yet in spite of the load of caricature the character must bear in Götter-Friedrich's production, McIntyre dominates the action.

The Valkyries, a distinguished company, looked stronger on paper than they sounded. The quasi-balletic treatment with swishing wing-capes and the platform tilted up and away from the audience to show Loge's fires getting ready underneath (why?) and a light-show which underlines the more blatant side of the music, does not help much. It must be said that the lighting, however dim and gloomy it becomes for long stretches, is technically well executed. The orchestral playing in the second and third acts had moments of high nervous vitality. Davis's reading is serious; he seems to be searching for and not quite finding some vital thread that will bring to the music relaxation and a natural flow.



Donald McIntyre and Josephine Veasey

Leonard Burt

Arts Council backs new records

The second stage of the Arts Council's scheme for subsidising the Royal Records of music by present-day British composers is nearing completion. Following the issue late last year of *The Music of Anthony Payne* on BBC Records, four projects were taped during July and August for release in 1979. In Walthamstow Assembly Hall, Argo recorded *Speaks* by major choral work by Richard Rodney Bennett, with June Manning, the Bach Choir and the Philharmonia Orchestra under Sir David Willcocks (to which will be coupled *Abundant*, a short orchestral work by Bennett conducted by David Atherton). Simultaneously, in the Phil-

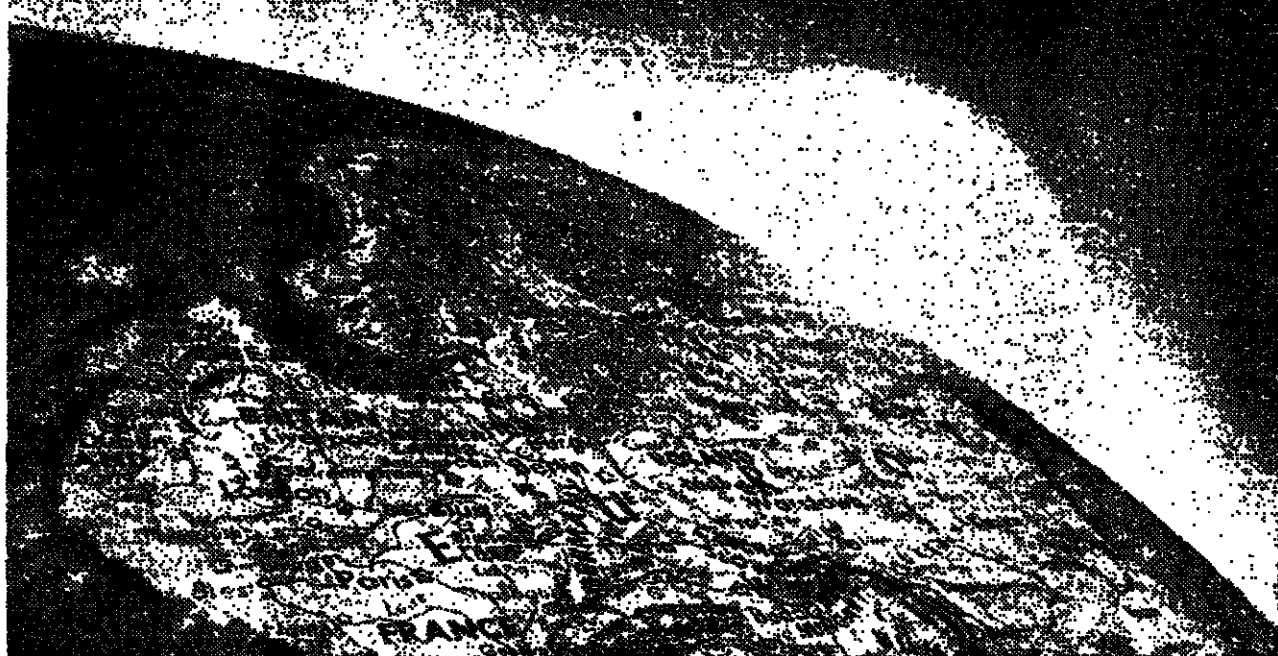
U.S. envoy to inaugurate lecture series

Sotheby's, through the Associates of the Victoria and Albert Museum, the new charitable trust fund, are to sponsor an annual lecture on a theme blending American and British cultures.

The series will be inaugurated by the American Ambassador, Mr. Kingman Brewster, on Wednesday, October 25, at 7 p.m. in the Lecture Theatre of the Victoria and Albert Museum.

It will be chaired by Dr. Roy Strong, Director of the museum.

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Thursday September 14 1978

Growth, wages and profits

THE LATEST economic assessment from the Bank of England is in one sense the most optimistic to have appeared from that source for a very long time: but on the policy side it is as subdued as ever. Looking at the underlying demands on the economy, the Bank now sees no reason why a faster rate of output should not be achievable over a period of several years; but it couples this assessment with a warning that it may still take some time to get the recovery established. Meanwhile, it would be a grave mistake to push too hard on the demand side.

Investment

There are three reasons for caution. First, investment has been very low, and remains low despite a strong recovery. There may, therefore, be less spare capacity in the economy than many measures suggest. Investment recovery, in turn, is hampered both by the low level of real profits—partly concealed by historic cost accounting—and because industry has not yet learned to believe that the long term prospect has improved.

In the Bank's words, "this country is as well placed as most others," but "experience stemming from high and variable inflation and recession may have reduced producers' responsiveness to increased demand." Finally, high and variable inflation has by no means been laid to rest. Tight monetary policy, combined with incomes restraint—the Bank sees the two approaches as mutually reinforcing—are still needed, and a sustained boom can hardly be expected in these circumstances.

The wage restraint message was put much more forcefully by the Chancellor yesterday when he addressed the electricity and plumbers. Claims at the level recently reported, he said, would if granted result in a doubled rate of inflation and a heavy loss of jobs; and he gave a warning that the Government would not shrink from using sanctions against firms which broke through the new 5 per cent guideline.

It is of course true that excessive wage pressure can damage both employment and profits, and thus both present competitiveness and future investment and growth, and we can only applaud when the Chancellor and the Prime Minister and the Chan-

Management

What the official approach overlooks, in short, is the need stressed in a GATT study earlier this week—the need to encourage change. It is the growth of efficient enterprises at the expense of the inefficient which raises real incomes most effectively. Uniform wage settlements hamper that growth; and to withhold government orders or government assistance from those firms which can best afford to raise wages is actually an anti-growth strategy.

The Chancellor would do better to turn some of his education effort to management, and explain that monetary policy and exchange rate management, not to mention our commitment to join a European exchange bloc, are aimed to check inflation, and will be pursued unyieldingly in the general interest. There will be no depreciation or protection for the inefficient, let alone rescue operations, unless they can show that they are themselves making a sustained effort to meet the competition. The competitiveness and future growth of the country has a far more potent weapon here than its reliance on norms and black-mail. It should use it.

Poor nations fare better

THE WORLD Bank's latest annual report is pervaded by a sense of cautious confidence. Its tone is in marked contrast to some of the Bank's more dramatic pronouncements on poverty in the Third World and the pressing need for international development in recent years. The Bank is not, of course, suddenly asserting that all the world's problems are on the way to being solved, nor does it omit all reference to the terrible conditions of life that so many millions of people still have to endure. It does, however, choose as one of its major themes the success of the majority of developing countries in riding out the recession of 1973-75 and their unexpected resilience in the face of dramatic changes in the world economy.

Raw materials

In particular, the Bank says that developing countries have outpaced the industrialised countries in terms of economic growth in recent years, and that many of them are likely to continue to do so in the 1980s. Developing countries' exports generally kept pace with the dollar value increase in world trade last year, while those of the poorer and middle income countries exceeded the average. The improvement in developing countries' terms of trade, though small, was significant, and many of the poorest raw materials exporting countries benefited from sharp advances in some commodity prices. Over the last two years the aggregate current account deficit of the non-oil developing countries has dropped back to about the same proportion of Gross National Product as before the oil crisis, and their financial outlook has brightened.

The Bank admits that there are dark spots. The weighted average inflation rate in developing countries last year, excluding certain "atypical" Latin American nations, was 21 per cent, up from 15 per cent the year before. Food production is still hostage to the vagaries of the weather, employment has not kept pace with expanding labour forces, and

serious problems. Trade deficits could well start climbing again and countries dependent on a small number of export products remain particularly vulnerable. Where the Bank tends to underestimate the problems that may lie ahead is in its assumptions about the policies and performance of the developed countries in the years ahead. While accepting the importance for developing countries of consistent economic growth in the industrialised world, it shows surprisingly little concern at the uncertain growth prospects in the OECD countries in the coming years. Again, the Bank admits that its optimistic assessment is conditional on there being no significant increases in trade barriers. But while acknowledging the existence of protectionist pressures in the industrialised countries, it appears much less alarmed by the danger than many other analysts.

The Bank is also optimistic about prospects for North-South relations between industrialised and developing countries. Links between the two groups of countries, recently forged, will not easily be broken. It adds: "There is, it is true, little immediate prospect of a serious North-South confrontation. But many developing countries are deeply disappointed with the limited progress so far in their dialogue with the industrialised world, and many Western officials now openly admit that a real dialogue at international level has yet to be joined."

A critical moment for Europe's aero industry

By MICHAEL DONNE, Aerospace Correspondent

BRITISH AEROSPACE is hoping that the summit meeting between Chancellor Helmut Schmidt of West Germany and President Giscard d'Estaing of France starting today will settle one of the most difficult outstanding problems in European aerospace affairs—whether or not to accept Britain's request for a share in the development of the new A-310 version of the European Airbus.

While the UK has had for some time a private-venture sub-contract to build the wings for the existing, and increasingly successful, A-300 Airbus in its B-2 and B-4 versions, it has remained formally outside Airbus Industrie, the European group building that aircraft. Now, after much agonising deliberation, it wants to come back in, to help develop the A-310.

But France in particular has made it clear that it is not going to let that easy to join a club which the UK Government quit some years ago because it felt the Airbus was not likely to be a commercial success. That step has always ranked with the Europeans, and the French Government has insisted that UK participation in the A-310 must be accompanied by a commitment from British Airways to buy the aircraft. This is rejected by British Airways. It prefers instead to buy the new Boeing 737-400, and the UK Government says it cannot and will not force the airline to abandon its freedom of choice in aircraft procurement.

Whether at some time in the future British Airways' ideas might change, and a need arise for the A-310, especially with Rolls-Royce RB-211 engines, remains to be seen, but certainly for the present the airline has no intention of buying the European jet.

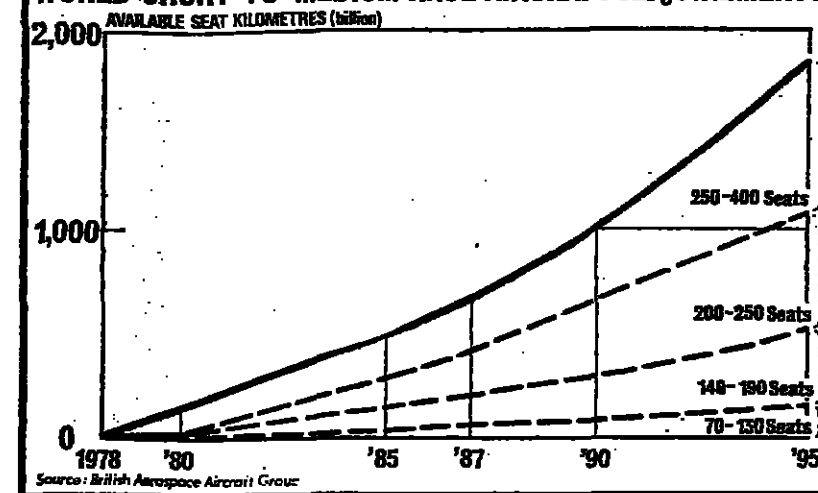
The West German Government appears to be ready to accept Britain back in the Airbus Industrie consortium, without a British Airways commitment to the A-310, because it wants to see the UK aerospace industry as a friendly participant in the new programme, rather than as a potential competitor, driven into the arms of the U.S. industry by European intransigence. So far, there is little sign of the French Government accepting this attitude, which is why so much interest is being focused on the Schmidt-Giscard d'Estaing meeting.

At the industrial level, Airbus Industrie itself wants a French-German Government decision by the end of September to enable it to get on with detailed work on the A-310 to meet target dates for metal-cutting by next midsummer, and first flight by end-1981. Airbus Industrie and its constituents, Aero-

spatiale and Deutsche Airbus (which in turn includes Messerschmitt-Bölkow-Blohm and VFW-Fokker), all want to see the UK back in the club, helping on the A-310—for they, too, can see the dangers of the U.S. industry.

From British Aerospace's viewpoint, a 20 per cent share of the work on the new A-310, primarily involving the wings, would nearly round-off a major new programme of civil airliner development for the future that will keep its factories fully employed through the 1980s. For if one thing emerged from last week's Farnborough air display above everything else, it was that British Aerospace is no longer short of work, and may even find itself before long with the problem of finding

WORLD SHORT-TO-MEDIUM HAUL AIRCRAFT REQUIREMENTS



enough skilled labour to meet both the growth of existing and the start of new programmes.

Primarily, what has revolutionised the outlook for the Aircraft Group in British Aerospace has been the Government's decision this summer to authorise the go-ahead for the Type 146 four-engine, short-haul feeder-liner, which will take up much of the slack created in the group by the ending of Trident airliner production and the rapid run-down of Concorde work. Currently, the balance of activities in the British Aerospace as a whole is that military aircraft, guided weapons and space activities account for about 75 per cent of a total turnover of £860m. The Dynamics Group alone (guided weapons and space) has an order book of £1bn, and is rising, out of total British Aerospace orders of over £2.3bn.

Much of the remaining 25 per cent of total British Aerospace activity is now likely to be accounted for by the Type 146, but at the same time, the organisation has prepared plans for extensive new developments across the entire range of the



The European Airbus production line at Toulouse in France: will France allow Britain a place?

may cost up to £50m to develop, and which may use the new Rolls-Royce RB-401 business jet engine, with lower noise and improved fuel consumption. A decision to develop this aircraft is likely soon.

In the 40-50 seater, aircraft field, the group is improving its twin-turbo-prop Type 748 feeder-liner, of which 332 have been sold to date, with sales in 1978 showing a sharp increase. The group is also now studying the possibility of developing the Jetstream twin-turbo-prop airliner into a 30-plus seater for

The One-Eleven Series 670 is initially being offered to Japan as a replacement for the YS-11 short-haul turbo-prop, and possible production under licence in Japan is not discounted. Together with the Romanian venture, the British Aerospace expects the One-Eleven to continue through to the 1990s.

On top of all these developments, the new Type 146 feeder-liner is now launched. There will be two civil versions, the Series 100 seating 71 to 88, and the Series 200, for 82-102 passengers. A military version is also planned. The 146 is a four-engine aircraft, using U.S. Avco Lycoming engines, and is aimed at the replacement of ageing piston and turbo-prop equipment used worldwide as short-haul "bus-stop" aircraft. Production will be widely distributed through the British Aerospace factories, but in addition, some risk-sharing sub-contractors are being sought. Short Brothers and Harland of Belfast, Saab of Sweden, Avco Aerostructures of the U.S., and Aeritalia of Italy are all interested. About 20 per cent of the 146 airframe could be built by overseas partners. The first flight of the aircraft is set for 1980.

In addition to all these actual or planned developments, British Aerospace has its continuing share in building the wings for the existing B-2 and B-4 A-300 Airbuses. There is no suggestion that, should the French Government reject UK participation in the new A-310, the existing B-2/4 wing contract would also be lost to Britain. With 113 B-2/4 aircraft now sold, and options on another 49 aircraft, the potential follow-on sales from existing customers should bring total Airbus production up to 300 or more aircraft by the mid-1980s.

Rejoining Airbus Industrie could also eventually provide the UK with a share in the other prospective major European aircraft venture—the so-called Joint European Transport (JET), the plan for an airliner seating around 160 passengers, which would slot underneath the A-310 and be a competitor to the Boeing 737 and McDonnell Douglas Advanced Technology Medium Range (ATMR) ventures. While much work has already been done on the JET, it has been pushed to one side by the A-310, on which a higher priority has been set by Airbus Industrie and the French and West German Governments.

But this does not mean the

the world's growing commuter or "third-level" airlines. The Jetstream was originally designed by Handley Page. After that company collapsed the aircraft was taken over by Jetstream Aircraft and then by Scottish Aviation, which is now part of British Aerospace's Aircraft Group. Some 30 Jetstreams are flying with civil operators. The response to them has encouraged the group to believe there is a market for the airliner, provided it can be given a new engine (a U.S. Garrett turbo-prop to replace the French Turbomeca Astazou), and other refinements. This development programme will cost about £20m, and a decision is also expected soon.

The One-Eleven twin-engine airliner is still going strong, with sales so far of 227, and a deal signed with Romania that will ensure production there of up to another 80. The UK production line will be given a boost by the development of the new Series 670 version, seating up to 89 passengers, with better performance from smaller airfields, lower noise levels and improved cabin styling.

In the smallest aircraft in its range, the 125 business jet, of which 410 have been sold so far, British Aerospace is planning a new Series 800 version, that improved cabin styling.

MEN AND MATTERS

The American

way of life

Slater Walker's insurance operations worked relatively smoothly—and perhaps because of that remain one of the least publicised parts of the crumbled empire. Bought up by the U.S. conglomerate, Gulf and Western, the company was yesterday launched back into the UK life and pensions market. Once called Arrow Life, its new name is an availing Providence Capitol. It will come under the firm aegis of Kenneth T. King, who heads life and non-life insurance companies in Gulf and Western.

King believes that any unhappy associations have long been eradicated and that the company had a proven track record. He has been largely responsible for the way that Gulf's life operations have increased their assets from \$100m to over \$1bn in the past eight years.

King had been interested in expanding into Britain for some time. The mass incursion of U.S. insurance companies has mainly been in general insurance and only a few companies—not least the ill-fated Fidelity Life—have moved into the more parochial field of life insurance. King says that his own moves do not augur a U.S. invasion into the UK life market—even if another part of the Gulf and Western conglomerate has been invading our youth's life patterns. Paramount Pictures last night were launching the latest disco film in London, Grease. The executives of the presumably staid new Providence Capitol duly attended the premiere of this latest vehicle for star John Travolta. Gulf and Western made the tickets available but, emphasising the separation between the companies, Providence Capitol had to pay.

way of life



"I don't like the way they want to wash OUR dirty linen in public!"

Sale time

Why, the Russian weekly Literaturnaya Gazeta asks this week, are there always queues in Russian shops? And where has all the mustard gone, not to mention the bananas?

British readers could be forgiven for a certain cynicism about the reply of the Deputy Minister of Commerce, who described such questions as "simplistic," and explained that problems were not caused by inadequate supply but by demand being "too great." Nonsensical as this might sound, the official line is in one sense accurate. Russian shopping has long been in a different world. A colleague recently in Moscow recalls joining a queue which formed like lightning when a shop managed to get in a supply of oranges. "People bought as much as they could carry," he tells me. "I was eighth and did not get any." If the produce is of any quality there are no problems in off-loading it to friends and relatives, or selling at a profit. But

the novelty is that the author now admits the problem surprised cable. "Police met the extent that, according to the text, the policeman said. Literaturnaya Gazeta, 33 scientific research institutes are hard at work examining consumer demand as there are no less than 2,000,000 officials, or so it lights changed, and a shaken driver and bewildered policeman parted ways."

In the family

Fame or notoriety inevitably attracts the attentions of the commercially interested and the world has long become used to books with titles such as "I was Nixon's Odd-Job-Man." But it is rare for those making their living from writing to be awarded such an accolade during their lifetimes. But this is the innovation of Sheila Bailey, wife of the author Arthur Hailey. He wrote such works as Airport and The Moneychangers and she has now produced a book entitled I Married a Bestseller. The publishers describe it as a "loving, touching... and occasionally very frank story of two young people who met accidentally via a dictating machine in a typing pool." They hope that in addition to marrying a bestseller she has also written one.

Dangerous tune

A London taxi driver reports a new thrill in traffic jams—the risk of being arrested. Our driver was whiling away his waiting time by listening to the radio when this switched into one of the new advertisements which Scotland Yard puts out. These advertisements purport to be messages to patrol cars on how London needs the police to look after it. But as luck would have it at just that moment a policeman walked by. If heard the Scotland Yard announcement, and advanced on the cable: "You should not be listening to that," he said, drawing his

Testing trip

"Exports are vital to the success of the industrial strategy," writes the TUC in its checklist of points every trade unionist should know. And it is ideas like this which Norman Burgess cites when asked just how he, shop steward, feels about travelling to Saudi Arabia to boost his firm's export drive. "Being involved for 14 days with senior management is a trial for any shop steward," he told me. Aged 47, he is a resin setter for Bristol Composite Materials Engineering, which makes irrigation pipes, aircraft tanks, body armour and security screens. But he thinks he can more than pull his weight on the mission. He is one of the nine shop stewards representing the 500 workers in the plant and was chosen on the basis of an essay on exports. How did his colleagues react? "A little bit of jealousy and a lot of interested amusement. But no sniping. We're not a car firm."

Warpaint

A spot check taken at a recent protest meeting in the U.S. revealed that of the women present, 15 per cent coloured their hair, 22 per cent had false eyelashes, 25 per cent used eye shadow, 38 per cent wore wigs, and 96 per cent applied lipstick and nail varnish. The meeting's target?—deceptive packaging.

Observer

LOTHIAN

WE'VE A LOT TO OFFER
YOU'VE A LOT TO GAIN.

The Lothian Region, with Edinburgh at its heart, already has a formidable roll-call of satisfied industrial customers. Our industrial estates owned by the Lothian Regional Council there are now 147 thriving companies with 11,000 employees.

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For the businessman who can't wait we have immediate available 22 fully-serviced industrial sites, 10 modern factories and 16 of the latest warehouses. All ready for occupation—now.

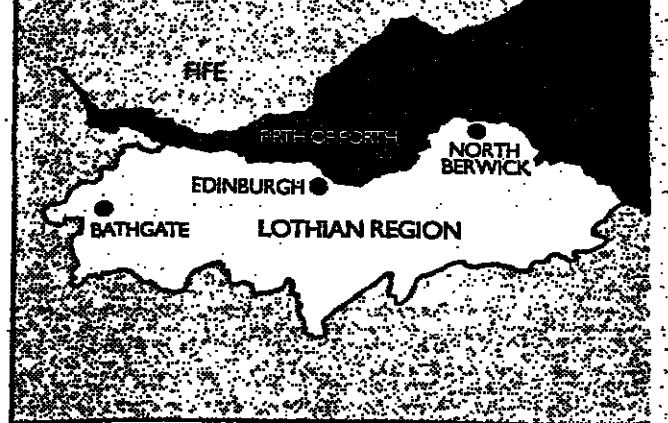
Fly up and see us sometime. Soon.

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R. I. Shanks, Industrial Development Manager

Lothian Region Development Authority

18 St Giles Street, Edinburgh EH1 1PT.



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DEVELOP WITH THE
LOTHIAN REGION

A lakeside inquest on the dollar

Way into a conference by her EEC partners. Some people wondered if German interest in ECU would waver if the dollar rate were to stabilise or improve.

An even more important question was whether the German assumption was justified. Would an ideally successful ECU relieve the upward pressure on the mark? If the European Community were really to become "a zone of stability" this could increase the incentive to try to shift funds out of overseas dollar accounts.

As for the dollar weakness, there were so many contradictory analyses given of the reasons for it that it was difficult to know what to believe. It was one thing to say that the dollar was overvalued, but quite another to say that it was undervalued. The British had noticeably shifted, as had confidence in the ability of pundits to make economic forecasts.

The conference itself was a success, in that it was a useful forum for Monetary and Bank studies of Geneva and was attended by central and private banks, as well as economists, both sides of the Atlantic. It was devoted to "Exchange Surveillance and European Monetary Union." But although it was far more sympathetic to the dollar than normal among economists, it did not really set off sparks in the state of the dollar.

It became evident that one of the main reasons for an enthusiasm for the ECU (ECU) was that the currency appreciation, allegedly being forced by Germany by the weakness of the dollar, would be shared by

the Keynesians praised the task of interpreting the past. One of the advantages of holding the conference in Geneva was the participation of the GATT representatives. They were absolutely right to insist that the underlying problems were the setback to world growth of recent years, and the highly volatile and divergent inflation rates which made currency stability impossible—rather than floating rates per se.

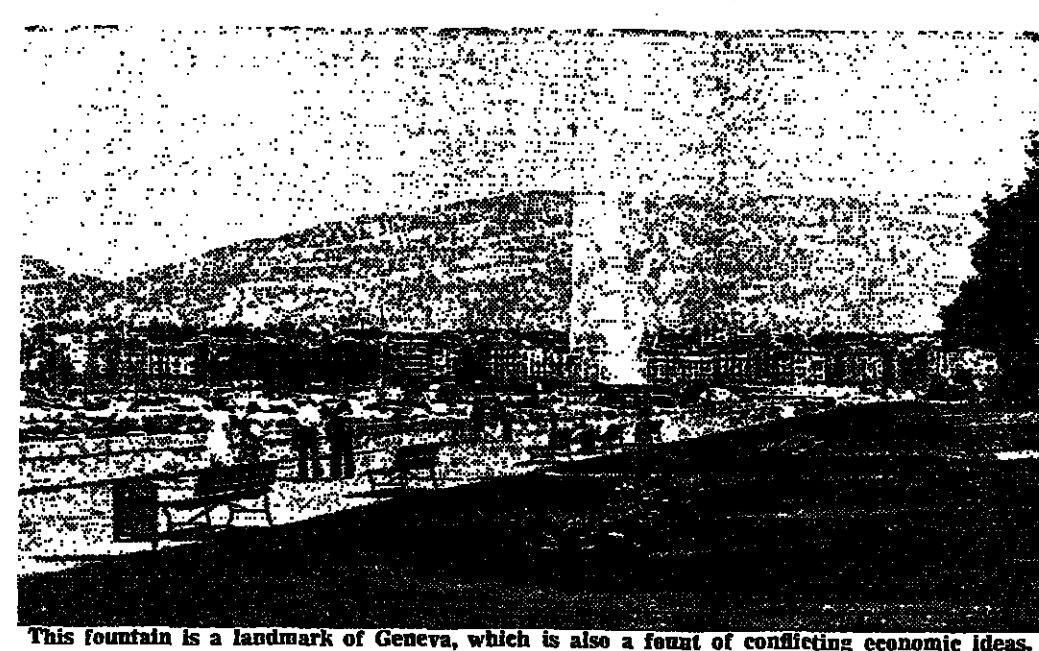
The entry of the GATT into the general economic debate is very welcome, especially as it is making a different noise to that of other bodies. Far from advocating "reflation" to offset the threat of protection, the GATT annual report boldly advocates "a credible commitment by the major countries to restore price stability at a steady preannounced pace over the next few years," which would reduce uncertainty and strengthen investment. "The risks to employment of making price stability the priority goal" are in its view, "less than those of conventional growth measures."

The GATT Economic Director, Dr. Tumlir, has with his colleagues, taken the argument further in a signed paper published this week, which gives four reasons behind the weakness of investment and economic activity and the associated protectionist pressures.

The first is the increased uncertainty not only about the general price level, but also about particular costs and prices experienced in a highly inflationary world. One example is the bias induced in favour of projects with short pay-off periods.

Secondly, there are international uncertainties. One third of OECD manufacturing investment is related to exports. The threat of protection, fears of sudden policy changes in overseas markets and large and variable inflation differences feeding into exchange rates with unpredictable timing, all inhibit such investment.

Thirdly, there is the setting aside of the market process, which impedes the allocation of resources. In this respect a quota, however set, is much worse than a tariff. For a tariff can be removed, while a quota is a once-for-all impediment, to which the market then adjusts. On the other hand, a quota can protect a sector indefinitely from further change, and thus leads to a growing real income loss for the country imposing it.



This fountain is a landmark of Geneva, which is also a focus of conflicting economic ideas.

ultimate in "paralysing" the market mechanism suddenly appeared at the same time in so many countries with widely differing economic philosophies after two and a half decades of full employment and workable competition? But it is still, to my mind, a more promising line of approach than the calculation of largely imaginary estimates of economic slack and the associated and never-achieved growth targets with which so much time is wasted at summit meetings and in domestic economic debate.

* Adjustment, Trade and Growth in Developed and Developing Countries, GATT Secretariat, Centre William Rappard, 154 Rue de Lausanne, 1211 Geneva 21.

Samuel Brittan

Letters to the Editor

The letter of the law

Councillor W. F. Shepherd—As a law lecturer and I often find myself talking to people whose job it is to put law into operation, and read the Fire Act 1971, I am struck by the fact that it is a fire act (not a fire law, as Mr. Kent) and that he and I had produced differences of interpretation on certain matters, and I produced my amended version of the 1971 Act it was that his copy was updated in quite important ways. As it happens no one apparently spotted his errors, but if someone could have been embarrassed on further investigation "heard that he had a copy of the Act which had been 'Revised 1977' exactly as it had in 1971, in spite of the fact that legislation of 1974 and 1976 radically amended the Fire Act."

And this total dishonesty on the part of the Fire Authority is a disgrace. If the Financial Times printed anything so incorrect it would be pranged immediately by trigger happy readers under the Trade Descriptions Act. I drew the attention of HMSO to this kind of thing years ago when they reprinted the 1960 Road Act in 1968, although it was a third of its former size on earth can law abiding people—more important—be misled by such a blatant work properly when they take the trouble to read the reprints in spite of the fact that the law is difficult enough for professionals, without additional hazard.

Parliament can correct this kind of thing, and has done so in the case of the House of Commons Disqualification Act, when it gave orders for copies of the Act to be printed as amended: it would be totally simple to pass yet one more (one section) amending "enough" authorising HMSO to update statutes when reprinted at the old price.

F. Shepherd, 14, Dover Street, W1.

Land search delays

Mr. J. Stanley Heath—As I was fascinated to read today's Financial Times (September 11), the report by Mr. Dickson, reporting what are undoubtedly unnecessarily long delays in local authority land registry searches.

The position is as bad as you report, but it does vary from bad to unbelievably bad, and it is a pity which can be rectified—I believe—quite easily.

Some years ago, when I was a member of a local authority, I went into the position with the local authority's computer manager, and he said that there was no great difficulty about the matter at all. The particular local authority in question had a random access computer, and would take a daily input of information, so that daily queries to queries could be produced.

It simply means that every local authority department must each day supply its computer department with all the latest information, with the result that the computer is constantly up-to-date, and there should be no reason why local authority replies to searches should not be returned within hours.

When I brought the matter up some years ago, the then town clerk told me that as far as he was concerned the top priority was the electoral register. The electoral register of course is only updated once a year, whereas the registrable information which a local authority is required to keep is required to be updated daily.

I am absolutely certain that if the Land Charges Registry at Plymouth can deal so effectively and efficiently with searches, there is absolutely no reason why all local authorities should not take a leaf from the Land Charges Registry's book, and update their methods because, believe me, it is long long overdue.

J. Stanley Heath, 58a, Church Street, Stoke-on-Trent.

Striking legal service

From the Chairman, British Legal Association—Sir—Tim Dickson's article (September 11) indicates the unhappy plight of the 1,200 people who cannot proceed with their mortgage applications or the sale or purchase of houses because of refusal by employees of Camden Borough Council, since July 12, to process local authority land searches, the replies to which are essential to every solicitor in a conveyancing transaction. In other words, there is a considerable delay.

The "strike" situation in Camden leaves the Town Clerk, himself a solicitor, in an invidious position. On the one hand he too is an employee of the Camden Borough Council but on the other hand a solicitor whose professional duty it is to control his staff to avoid unreasonable delays. If this situation were to occur in the office of a privately practising solicitor, that solicitor would owe a duty, enforceable by the Law Society, to see that the work was done and that his clients did not suffer. If necessary the solicitor (and his partners and assistant solicitors) would take the work home in the evenings and at weekends (to add to the work already done out of office hours by most of us) and do it himself. If his staff then walked out on him en masse, he might account that no bad thing in the circumstances.

Contrast this with the view of the Town Clerk of Camden, who would no doubt be entitled, strictly correctly, to say that the 1,200 persons awaiting the result of the land searches are not his clients and that, in truth, he has none, other than the Borough Council. He says that for him and his assistant solicitors to do the work might do more harm than good, and that "dealing with industrial action is a very delicate process." What greater harm could befall the 1,200 unfortunate than at present? I suggest that the Town Clerk, with the best of intentions no doubt, is guilty of muddled reasoning, not least in failing to observe that what is happening is not "industrial action" as he has labelled it in the Solicitors' Journal (September 11), but simply the case of the staff in a solicitor's office (albeit staff provided for him and not directly employed by him) refusing to facilitate the carrying out of his, the solicitor's, Town Clerk's function.

How would the ordinary man in the street, the client of the privately practising solicitor, be affected if the Government either sets up a nationalised legal service, as many politicians demand, or continue to its logical conclusion the course upon which it is already embarked, of taking money away from the Legal Aid Fund (thus making recourse to a solicitor more and more difficult for more people) in order to fund a proliferation of new law to be to pay very large sums in

California for motivating good people in Immos. (Sir Leslie Murphy, FT, August 31.)

The "who owns what" idea about home or foreign money, nationalities, Dr. Mackintosh in both his letters is about origins, not management or control. By regress into origins we all descend from anthropoid apes. It is irrelevant.

Current information shows that National Semiconductor, Motorola, Texas Instruments, ITT, Philips, are investing large sums in chip technology (microelectronics) in Great Britain. This may soon include Mostek Corporation. That means work for thousands of production workers, engineers, scientists, etc.; it signals expansion of the industry employment in advanced technological industry and prosperity for the hundreds of small associated factories producing equipment, services, specialised non mass production goods and, of course, room for young scientists and others. And it spurs export performance to the European continent and elsewhere.

NEB uses not entrepreneurial risk capital like the above companies but taxpayers' money to fund employment for one thousand people in California. Senior executives in GEC, Texas Instruments, Signetics, Motorola, take this to be something of a gamble, i.e., they would not risk their own money. Neither, of course, does NEB; it uses their and R. Toeman, 21, Acondale Avenue, Hazel Grove, Stockport.

Value added rewards

From Mr. Alan G. Thompson—Sir—The Department of Employment's criteria for Stage Four policy includes, amongst other things, a statement that several industrialists have put to me over the last day or two, meaning the death of the added-value approach. Nothing could be further from the truth but such is the abominable no-man syndrome in the UK that this needs to be said loud and clear.

The inference is that payments under an added value bonus scheme should only reflect genuine and real improvements in productivity and not the effect of other factors and in particular, price increases. However, the actual statement illustrates how the same thing can be said in different ways to give a different impression. The actual statement starts "Financial indicators, such as added value, are not an acceptable basis for a scheme."

Many readers stop here. The next word is "unless" and goes on to state the conditions for acceptability, as I have mentioned above.

Companies I am associated with install Added Value Reward Plans where the separation of the effects of inflation and productivity are routine and where, often, all effects are shared so that whilst employees share the benefits of such inflation as arises from the difference of selling price and purchase price increases this 5 per cent inflation generates 2.5 per cent bonus but a 5 per cent pay award would increase employment cost by 5 per cent and reduce bonus by 2.5 per cent, thus cancelling out the inflation effect.

The many positive benefits of an Added Value Reward Plan in providing a common objective for employees and capital, and a basis for communication and participation, are so needed by UK industry that it is essential to stay the hand about to knock one more nail into the industrial coffin.

Alan G. Thompson, 14, Dover Street, W1.

Today's Events

GENERAL—August overseas trade figures, and balance of payments current account.

Liberal Party Conference continues, Southport until tomorrow—debate on party strategy.

Two-day meeting starts in Aachen between President Giscard d'Estaing and Chancellor Helmut Schmidt to discuss differences in the French and German monetary systems.

EEC Foreign Ministers meet in Bonn.

Group of top industrial political leaders from China start two-week visit to Sweden to study railways and allied systems.

European Parliament in session (until tomorrow).

OFFICIAL STATISTICS—UK banks' assets and liabilities and the money stock (mid-August).

London dollar and sterling certificates of deposit (mid-August).

COMPANY RESULTS—Prudential Assurance Group, Prudential Assurance Company, Richards and Walling, J. H. Wall, EC, 12.30. Phoenix Timber, Noble and Lund, George Phoenix House, Rainham, Essex, Oliver (Footwear), Oxy Printing, Group, Tipston, West Midlands, 5.45. Somport, 77, London, 12.30. Bernard Sunley, Wilkes, Winston Estates, Interim, 12.30. Unigate, Grosvenor House, Park Lane, W, 12. United Gas Inds., Connaught Rooms, WC, 12. Ward and Goldstone, Midland Hotel, Peter Street, Manchester, 12. Warwick Engineering Invs., Exelsior Hotel, Birmingham Airport, 12.

Trust, Home Charm, Huntleigh Group, Thomas Jourdan, Lead Industries Group, Lyon and Lyon, Magnolia Group (Mouldings), Noble and Lund, George Phoenix House, Rainham, Essex, Oliver (Footwear), Oxy Printing, Group, Tipston, West Midlands, 5.45. Somport, 77, London, 12.30. Bernard Sunley, Wilkes, Winston Estates, Interim, 12.30. Unigate, Grosvenor House, Park Lane, W, 12. United Gas Inds., Connaught Rooms, WC, 12. Ward and Goldstone, Midland Hotel, Peter Street, Manchester, 12. Warwick Engineering Invs., Exelsior Hotel, Birmingham Airport, 12.

UNITED OVERSEAS BANK GROUP FINANCIAL HIGHLIGHTS

RESULTS FOR SIX MONTHS ENDED 30 JUNE 1978

	Six Months to 30.6.78	Six Months to 30.6.77	Increase
	S\$'000	S\$'000	S\$'000 %

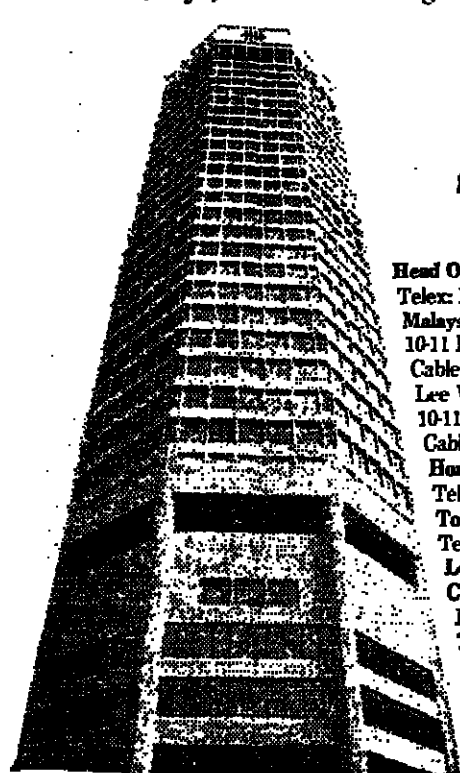
Net Profit Before Tax (after providing for diminution in value of assets and after allocation to contingency reserve)

The Group (after deducting amount attributable to minority shareholders)	31,721	25,753	5,968	23.2
The Bank	18,299	15,232	3,067	20.1

INTERIM DIVIDEND

An Interim Dividend of 5% less 40% Singapore Income Tax in respect of the financial year ending 31 December 1978 on the enlarged capital of \$171,217,902 as a result of the 1:10 bonus issue made in May, 1978.

The United Overseas Bank Group (comprising United Overseas Bank, Chung Chiaw Bank and Lee Wah Bank) over 40 years of experience in Southeast Asia, with 77 branches in Singapore, Malaysia, Hong Kong, Tokyo, London and an Agency in New York.



UNITED OVERSEAS BANK GROUP

Head Office: 1 Raffles Place, Raffles Place, Singapore 1. Tel: 919882. Telex: RS21539/21804. Cable: TYEHUABANK.

Malaysian Central Offices: Chung Chiaw Bank, Bangunan Lee Wah Bank, 10-11 Medan Pasar, Kuala Lumpur. Tel: 876/1. Telex: MA30322. Cable: CHUNGBANK.

Lee Wah Bank, Bangunan Lee Wah Bank, 10-11 Medan Pasar, Kuala Lumpur. Tel: 88351. Telex: MA40265. Cable: BANKLEEWAH.

Hong Kong: 34-38 Des Voeux Road, Central, Hong Kong. Tel: 257171. Telex: 74581. Cable: TYEHUABANK.

Tokyo: New Kokusai Building, 41, Scheme, Marunouchi, Chiyoda-ku, Tokyo. Tel: 216-4351. Telex: 22178. Cable: TYEHUABANK.

London: 2 South Place, London EC3M 2PR. Tel: 628-3514. Telex: 888278. Cable: TYEHUABANK.

New York: 1 Bankers Trust Plaza, Suite 2712, New York 10006. Tel: 212-77-0560. Telex: 222256/40079. Cable: TYEHUABANK.

DIVIDENDS ANNOUNCED

Cautious mood at Dixons Photo

1979. For the previous year, payments totalled 13.2p.

The directors say the company's AGM will be convened as soon as the position regarding the sale of shares in the subsidiary, Nigerian Electricity Supply Corporation (Nigeria), pursuant to the Nigerian Enterprises Promotion Decree 1977, has been clarified.

UDS int. 23 Feb. 20 21 — 51
Dividends shown pence per share net except where otherwise stated
* Equivalent after allowing for scrip issue. † On capital
increased by rights and/or acquisition issues. \$ Additional 0.0833p
for 1977. ‡ Additional 0.0708p for 1977. § Additional 0.0583p for
1977. || 10p total forecast.

Shares of Dikons Photographic fell 6p to 14 1/2 yesterday, on publication of the annual report and accounts.

Kalms has a record of fast growth, but chairman Mr. Stanley Kalms strikes a cautious note in his statement, saying about prospects, "Our efforts will have to be judged against a generally depressed demand."

Kalms, and he is sure that the current year will produce a satisfactory result.

Dikons Photographic (1905) has enjoyed a year of steady growth and further outlets are said to be available. Mr. Kalms says the division is "well placed to maintain its superior position in the industry to take full advantage of the opportunities available."

As reported, pre-tax profits for the year ended April 29 1978 rose to £9.5m (£8.7m). Mr. Kalmus writes, "This achievement reflects substantial progress by most companies within the group, although we fell below our best expectations due to the unsatisfactory results in one division."

This division was the pharmaceutical one where a poor performance was turned in by Weston Chemists, writes Mr. Koppelman. He says that the company added that the reduced profits of the division reflect an adjustment to the net retail gross profit margin and the gross profit margin. The company says and consequent start-up expenses in establishing Barclay Hospital Supplies.

A major reorganization is now under way within the pharmaceutical division, writes Mr. Koppelman. He says that the

A revaluation of the properties owned by Marston Thompson and his wife, which was reversed since the March 31, 1978 year-end has thrown up a £17.14m surplus over book values, the company's latest accounts show.

The properties are shown in accounts at £10.56m, and directors say there is a potential liability of £10.56m to the company.

The group has completed two new public houses and these are now trading satisfactorily. Four existing houses have also been

An interim dividend of 25p net 25p share cleared, costing some £50.3c. £50,500 waivers with an add of £10,000 in 1977 after a reduction in ACT. Last year was £6,763p.

Mr. Biddle says the rest a considerable improvement in the corresponding last year's figures, making significant contribution to the increase, but result continental subsidiaries with

Mr. F. Hurdle, the chairman, says that so far this year the group has had little benefit which would have been expected from a favourable market, but sales have been maintained at a level comparable as last year. The group is still, however, well placed to take advantage of any upturn in demand.

As previously reported taxable profits for 1977-78 advanced from £4.5m to £11.8m. A current cost statement shows this reduced to £3.2m by additional depreciation of £28,000 and cost of sales of £20,000, by a £107,000 gear adjustment.

Mr. Burton-on-Trent, who is also chairman of the

Turnover and profits for F. H. Biddle UK were at a satisfactory level and the group for the second half should be favourable, the chairman says. However, the group's subsidiaries failed to meet expected volume of orders.

Mumford Bailey and Co is the group's heating and air conditioning company. Its material contribution to the group's second half turnover was £1.5m, a 50% increase on the factory half year with a turnover. The profit also is the benefit of a large new contract completions during the period under review, Mr. adds.

A SECOND-HALF recovery from £1.71m to £2.18m lifted taxable profits of James Walker Goldsmith and Silversmith from £2.64m to £3.06m for the April 30, 1978, year. Turnover finished at £17.29m against £14.67m last time.

At the interim stage the directors reported a slight downturn from £331,000 to £333,000. Profits after depreciation of £195,157 (£156,018).

After a low tax charge of £62,091 for the year compared with £559,081, net profit came out at £3m against £2.08m giving earnings of 18.361p (12.751p) per 25p share. The dividend is stepped up to 2.37996p (2.13131p) net with a final of 1.37998p.

There was an extraordinary debit of £108,454 and the balance retained was £2.51m (£1.44m).

● **comment**

After a 5 per cent setback in first half profits, Walker has bounced back in the closing six months of the year with a 27 per cent rise thanks to a buoyant Christmas period. The company has seen volume growth through existing outlets though the figures are not comparable as the group only include five months trading of a small retail chain bought for cash last November. This acquisition may have chipped in £1m to

S&P's and Bernap's 180,000 or so to pupils. The extraordinary item expense of \$1.2 million will be added to this purchase. The outlook for this year must be encouraging given the recent trend in consumer spending and assuming this lasts through to Christmas, which is likely to make this year very nice. Meantime the company is still looking for acquisitions within the jewellery sector, though its cash position is down on the £2.17m shown in April, 1995. Both the ordinary and the non-voting shares are at a discount but this is not really a reflection on the results. The shares have been strong performers of late apparently of bid hopes. Anyway on trading merits alone the price of the ordinary shares is not expensive, though the yield is on the low side at 3.2 per cent.

RACAL/EXTEL
Racal has acquired a small block of shares in Exchange Telegraph lifting its stake in the company to 5.3 per cent.

STAXABLE PROFITS of Biddle Heating, manufacturing and installer of heating and air conditioning equipment and lifts, increased from \$444,000 to \$817,000 in the six months to June 30, 1978, and Mr. F. D. Biddle, the president, says the firm is looking for a satisfactory outcome for the year. Profit for 1977 was \$74,400.

Turnover for the half year was \$1,359,000 against sales of \$755,000. The firm's gross profit was \$126,000 leaving a net profit of \$231,000 (\$213,000).

Alcan Ekco, manufacturer of aluminum foil containers, bakery, frozen food, instant catering and fast food food has acquired C. and W. of Tebours, who concentrates on the manufacture of the bakery industry.

Alcan Ekco is jointly owned by Alcan Aluminium (UK) and Products Incorporated of Chicago, Illinois. Formed in 1964, Alcan Ekco is now the largest of its kind foil container manufacturers in the U.K. with 30 per cent of the market.

London and Midland Industrial, Engineering and consumer products group, is proposing to raise £10m by a rights issue. The group also intends to increase its dividend by 40 per cent for the current year and is forecasting 17½ per cent profits for the period ending September 30, 1978, not far from £960,000 compared with £1,000.

The issue will be of 1.7m shares at 85p each on the basis of one new share for every five old, or one for every £3.75 held by the shareholder. The group half but they believe that it will come will be entirely satisfied.

In the year to March 31, the group made a record £4.0m loss.

Dividends for the current year are forecast at 6.75p per share compared with 4.807p.

London and Midland intends to change the company name to the convertible loan from September 15 to September 28.

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"The Company has completed another excellent year in which record turnover and profits were achieved. Subject only to circumstances beyond our control, I am confident that the Company will continue to progress . . ."

Mr. D. S. Rose, Chairman.

SUMMARY OF RESULTS.

5-year ended 28 April 1995

	1978	1977
Customers	£16,723,631	£12,905,571
	£1,763,876	£1,279,321
Pre:		
	2,027p	1,815p
	3,859p	3,456p
	23.5p	17.0p

Copies of the 1978 Report and Accounts may be obtained from the Secretary
313-333 BAINHAM ROAD SOUTH DAGENHAM ESSEX RM8 3BB

Every day people all over the world eat, drink, wash their hair, clean their teeth, shine their shoes, do housework, get headaches, take up hobbies, catch colds, and bring up babies.

And every day Reckitt & Colman helps them do these things. Because in over 120 countries Reckitt & Colman makes and sells products which are necessary or useful for basic day to day living.

Products which vary from Colman's mustards, to Robinson's soft drinks, Gale's honey, Disprin, Dettol, Cherry Blossom shoe polish, Mr Sheen, Steradent, Harpic and Winsor & Newton artists' paints.

in fact this great range of products coupled with almost total worldwide coverage of markets has enabled us to do well in the first half of '78—in spite of extremely difficult trading conditions. Sales were up to £302 million, an 8.4% increase over the same period last year. Profit before tax rose by 9.9% to £31 million for the same period.

	1978 £ million	% increase over 1977
Sales to customers	302.08	8.4
Profit before tax	31.00	9.9
Earnings per share	27.0p	8.9

If you'd like to receive a copy of the Chairman's Interim Report to shareholders, please write to
Reckitt & Colman, Freeport, London
WV4 2BR. (Postage is paid. Please do not
stamp your envelope).

Reckitt & Colman Ltd, 1-17 Burlington Lane, London W4 2RW. Tel: 01-394 6464.

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UDS GROUP LIMITED

One of the UK's largest retailing groups whose trading names include Richard Shops, John Collier, William Timpson and Alders Department Stores

Consolidated Interim Financial Statement for the 26 weeks ended 29th July, 1978

	1978*	1977*	Year
	£000	£000	£000
TURNOVER (excluding VAT)	169,587	139,326	331,269
PROFIT BEFORE TAX	9,102	4,400	19,158
DIVIDENDS	3,509	3,204	7,781

* Unaudited

CHAIRMAN'S INTERIM STATEMENT

Turnover for the six month period produced an increase of £30.261 million or 21.7 per cent on the previous year's corresponding period. Profit before taxation at £9.102 million shows an increase of £4.702 million. All Divisions performed well and have contributed without exception to this result.

MULTIPLE SHOPS The expansion of our multiple chains remains a continuous operation with the aim of further increasing the geographical coverage and market share of our various businesses. In the first six months of the current year 15 additional shop units have been opened and 10 relocated or extended. We have firm plans to open a further 22 shops in the second half year.

DEPARTMENT STORES Building extensions at our Bromley and Cardiff stores are on schedule. Despite the temporary disturbance which construction work inevitably causes, the Division as a whole has again made excellent progress. The building of the new store in Chatham is well under way and should be ready for trading in Autumn 1979. We have recently acquired a property adjoining our Sutton store where the selling space will be considerably increased by the integration of the two buildings.

HOME SHOPPING The success of the drive to increase our customer and agency base in Direct Home Sales and Mail Order has already resulted in a much improved sales performance. This will be reflected in future profits.

EXPORT AND OVERSEAS Every opportunity is being taken to extend our representation in our worldwide activity of Duty-Free shops on ships and in airports.

Our associated company Mobil Hubner of West Berlin with its 7 specialist furniture stores continues to make steady progress.

OUTLOOK Group sales in the first 6 weeks of the second half year have maintained a favourable trend. With the further increase in disposable incomes which will follow the tax rebates in November we look forward to good Autumn and Christmas sales. This encouraging prospect and the results so far enable me to reaffirm that a significant improvement in the full year's profit can be expected.

In the meantime, your Directors have declared an increased interim dividend of 2.3p (2.1p) per Ordinary Stock Unit. Dividend warrants will be payable on 20th February, 1979 to stockholders appearing on the register on 12th January, 1979.

Copies of the last annual Report and Accounts may be obtained from The Secretary, Marble Arch House, Seymour Street, London W1A 2BY (01-262 7755).

Turner and Newall down 7.5% in first half

FOLLOWING THE directors' warning made in April that trading to date had been disappointing, pre-tax profits of Turner and Newall fell 7.5 per cent from £23.24m to £21.49m for the first half of 1978, despite some improvement in demand towards the end of the period. For all 1977, a peak £33.25m was achieved.

Half-yearly external sales rose by £15.8m to £271.22m, including direct exports from the UK amounting to £48.7m (£45.6m). Trading profits were ahead 2.4 per cent to £24.5m, before expenses associated with contributions and higher finance charges.

The group's accounting policy is to translate the annual operating results in overseas currencies at exchange rates ruling at the year-end. Overseas results for last year's first half have been restated using rates which were subsequently used in the 1977 accounts—the effect is to reduce the comparative pre-tax profit by £1.1m.

Movements in exchange rates since the year-end have not materially affected results for the 1978 half year.

Included in group results were sales of £33.7m and profits of £4.1m from companies acquired since June 30, 1977. Philip A. Hunt Chemical Corporation added trading profits of £2.8m (4.3 per cent higher than same period last year), but profits of Storey Brothers and Co. at £1m (£1m) were depressed due to continued poor market for retail products.

Operating results of subsidiaries in Rhodesia are not included in group results because their accounts are not available to it. In the UK, sales increased by £32.2m to £198.5m, but trading profits were down £0.3m to £12.8m. Modest improvements in profits earned on plants and production materials were more than offset by lower contributions from industrial materials and automotive components, reports Mr. Patrick Griffith, the chairman.

He says demand for virtually all group products was "sluggish", prices particularly in export markets were under pressure and its plants were working below capacity.

Overseas, companies manufacturing construction materials, particularly in Nigeria, earned lower trading profits and the mining companies' profits were also below those of last year, reflecting the current weakness in the asbestos fibre market. However, automotive components' results improved, the chairman adds.

He reports that there are signs that demand for most of the group's UK products is slowly improving. In Nigeria conditions are very difficult, but prospects are promising in the U.S. and elsewhere overseas they are, on the whole, satisfactory.

Attributable profits for the first six months dropped £3m to £9.31m, after minorities, an extraordinary debit last time, and tax which comprised £K £2m (£2.4m), overseas £3.5m (£3m) and associates' £1.1m (£1.1m).

From lower earnings of 10.1p (restated 16.61p), the interim dividend is lifted from 4p to 4.5p net per £1 share on increased capital—as stated at the time of the April rights issue, the directors expect to recommend payments totalling 11.5p (10.095322p) net for the current year.

	1978	1977
External sales	271,220	255,420
UK	181,340	171,340
Overseas	89,880	84,080
Inter-group	22,770	22,770
Trading profit	24,500	23,800
UK	12,800	12,800
Overseas	11,700	11,000
Associates' profits	2,400	2,400
Net financing charges	(1,400)	(1,400)
Net profit before tax	23,100	22,400
Taxation	(3,600)	(3,600)
Net profit	19,500	18,800
Minority interests	(1,200)	(1,200)
Extraordinary dividends	9,300	9,300
Dividends	4,500	4,500
Retained	4,600	4,600

† Restated.

At the half year, group fixed assets stood at £182.1m (£182.7m at December 31, 1977). Current assets were up from £251.78m to £206.9m and liabilities from £114.56m to £126.68m.

See Lex

Montfort Mills ahead and confident

Reporting an increase from £217,439 to £268,286 in first-half 1978 profit, the directors of Montfort Mills (Kautex) Ltd. express their confidence that the upward trend will be maintained throughout the year.

In the half-year, sock factories have achieved further increases in turnover and profitability, while the situation in the division has remained difficult.

Satisfactory start for AAH

A SATISFACTORY start has been made to the current year at AAH, with trading profits in advance of those for the same period last year. Mr. W. M. Pybus, the chairman, says in his annual statement. It is too early, however, to forecast the outcome for the full year.

On the solid fuel operations, Mr. Pybus says the availability of domestic coal to match sales and build stocks is more difficult this year, although there has been some improvement in recent weeks. But the failure to achieve the stock target in the remaining summer months could restrict trading in the coming winter, and adversely affect gross margins.

With Inter-Continental Fuels, the chairman says he is confident of it maintaining its position as a leader in the field of inter-

national coal movements.

On ICF's Queensland Australia, coking coal project, finance is assured for the next stage of work, which should lead to the grant of a mining lease and the establishment of the financial structure necessary for its development.

On the fuel oil side Mr. Pybus does not expect progress in the current year to be as dramatic as last year's \$289,000 jump to \$320,000, but an increased contribution is expected.

Commissioning tests, are currently being carried out at the builders' supplies division's new shuttle kiln at Baginbaly, and directors are confident there will be strong demand for its output.

On the merchandising side, the group plans to continue to develop operations by opening new depots and by acquisition.

Confidence at Sale Tilney

PRESENT INDICATIONS confirm that Sale Tilney will have a successful year, the directors state. For the first six months ended November 30, 1978, they report an £88,000 increase to £276,000 in profits.

The interim dividend is raised from 4.5p to 5.35p net per 25p share. The total for 1978-79 was £0.2275p paid from profits of £1.83m.

The directors propose a 1-for-1 scrip issue, details of which will be circulated on September 18.

Principal activities of the group are the design and manufacture of special purpose machinery for the lighting industry, and the import and distribution of canned fruit, etc.

Cut in Burmah midway loss

AFTER INTEREST charges more than doubled to £7.62m and tax affected results, Burmah Oil Company incurred a reduced net loss of £3.03m in the first half of 1978 against losses of £8.51m in the same period last year. The 1977 result showed a deficit of £8.62m.

Interest charge includes interest paid in respect of the borrowing to finance part of the purchase price of Burmah Endeavour. The total interest comprised interest payable of £12.69m (£10.07m) less interest receivable, £5.06m (£6.64m).

Operating losses of the tanker operations and LNG transportation were reduced from £20m to £12.2m. Tanker charter cancellations in 1977 resulted in a lower charge for charter hire, although the purchase of the ULCB Burmah Endeavour in December, 1977, increased fleet operating costs, the directors say.

The developing LNG operations contributed to improved first-half results. The recent briefly in tanker charter rates is, however, unlikely materially to benefit the second half, which will be adversely affected by the delivery of the second (and final) ULCB, Burmah Enterprise.

Further, no alternative employment has yet been found for the LNG Aquarius, whose temporary engagement in the Pertamina project is shortly due to cease.

No provision has been included for future losses likely to arise from certain long-term shipping commitments.

No interim dividend is being declared—the last payment was the single 5.35p in 1977. Loss per share in the first half is shown as 4.09p (£2.3p).

First half results include an initial contribution from the Thistle oilfield in the North Sea where production, which commenced in April, 1978, will now be of increasing significance.

Castrol's overseas operations fully maintained their contribution to profits. In the UK, however, severe price competition in

lubricating oils and petroleum products had affected results.

Profits of the automotive industrial companies again a satisfactory improvement, those of the engineering companies were marginally lower.

Net loss before tax £7.62m (£8.62m). Tax £4.59m (£5.59m). Extraordinary dividends £8.51m (£8.51m).

Turnover £1,950,000 (£1,950,000). Profit £3,030,000 (£3,030,000). Operating profit £3,030,000 (£3,030,000). Investment income £3,030,000 (£3,030,000). Interest £3,030,000 (£3,030,000). Tax £3,030,000 (£3,030,000). Retained £3,030,000 (£3,030,000).

Record £0.98m at Romai Te

WITH TURNOVER ahead of £1,950m to £3,240m taxable, Romai Te Holdings, from £577,176 to a

£575,998 in 1977. After tax of £580,342 £580,342 net profit came £285,658 (£185,548). Earnings per share at 73.5p (£1.10) with 38.5p (£0.56) up from 17.5p to 23.5p.

Alexander Duckham fa into the red

In the first half of Alexander Duckham and Co., controlled by Petroleum, incurred a deficit of £240,000 compared with a profit of £240,000 for the period of 1977 and with a surplus for all that year.

The first half loss, primarily due to fierce competition adversely affecting levels and providing employee severance pay, arising from the closure of production facilities at Hammersmith works.

No provision has been made for any liability which will be reflected in the full year's accounts.

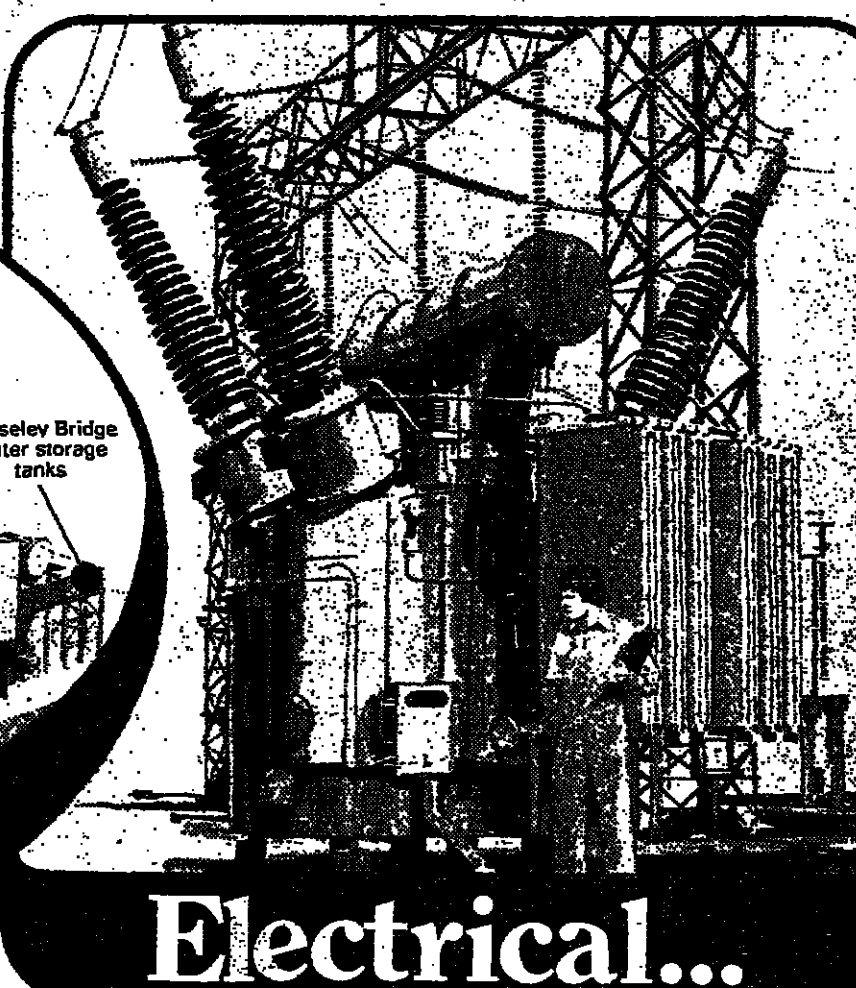
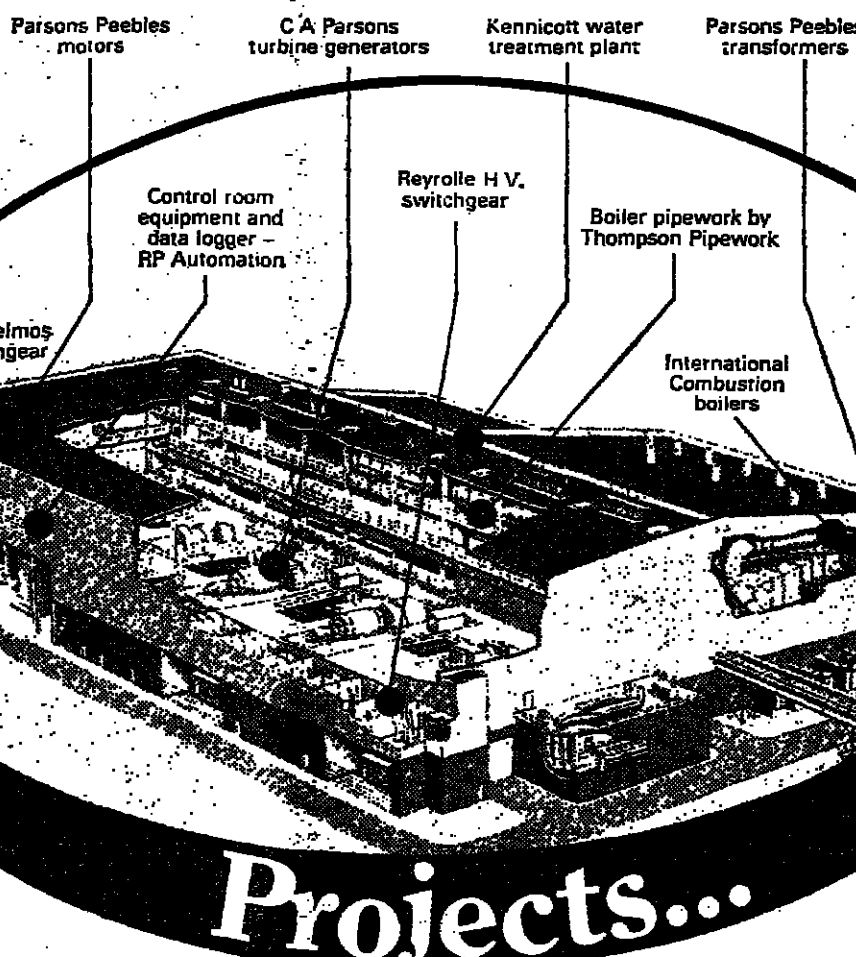
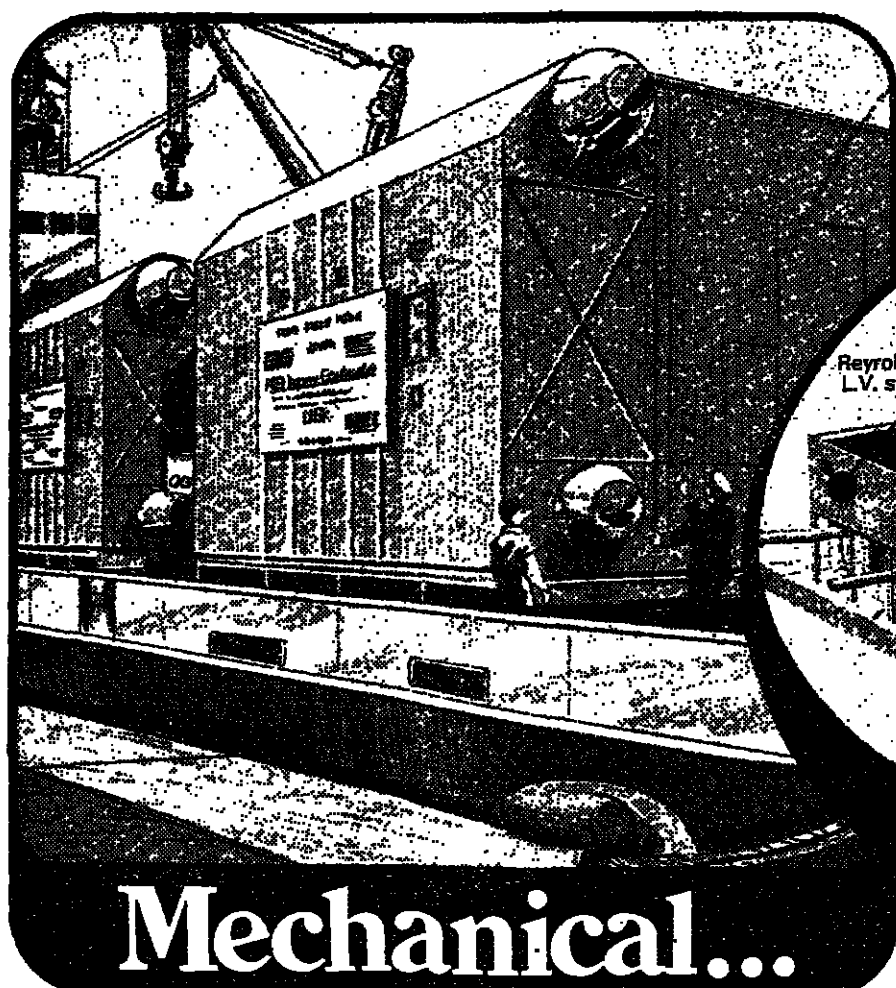
NO PROBES

The following proposed are not to be referred: Monopolies Commission; BP Chemicals and European subsidiaries of A Carbide; BP Chemicals' current cost statement shows this European subsidiary reduced to £5.42m by additional depreciation of £0.95m, and cost of sales £1.03m, offset by a £1.09m gearing adjustment.

Meeting, Bury Street, SW. Huber Corporation and A. Association.

October 6 at noon.

NEI goes ahead... at home and overseas



The largest Shop Assembled Boilers ever built in the UK - these 300 tonne boilers were designed and manufactured by NEI International Combustion for the Corpus Christi Petrochemical Refinery in the United States.

The combined blowing and generating station for BSC's new Redcar project - NEI Projects is the main contractor for all electrical and mechanical plant and NEI companies are major equipment suppliers.

Major export orders in the electrical engineering sector include a contract secured by NEI Bruce Peebles for 20 transformers and 2 reactors to be supplied to the Government of Abu Dhabi.

Northern Engineering Industries Ltd. Interim Results 6 months ended 30th June 1978.

Extract from Review by the Chairman Sir James Woodeson, CBE, TD.

Despite depressed conditions in some sectors of the home market and strong competition overseas, the broad trading position for the Group is satisfactory and Group liquidity remains strong. The overseas businesses are making a significant contribution and the Group's interests in indigenous overseas manufacture are being further developed in support of the UK trading activities.

Discussions on the restructuring of the UK utility boiler industry have been discontinued but arrangements are being made in consultation with the Electricity Authorities concerned to secure the most effective utilisation of the industry's engineering

capability in meeting the UK power station requirements. NEI has a substantial turnover in boilers and electrical plant for industry and electrical utilities in the UK and overseas, and will continue to take a leading part in the design and manufacture of the plant required for major nuclear and fossil fired power stations.

The intake of orders by the UK Trading Companies in the first six months of 1978 is ahead of the combined figures for the corresponding period of 1977. Prospects are encouraging for the supply of mechanical and electrical plant to the power, mining and process industries in developing overseas markets.

NEI Clarke Chapman Engineering Ltd., NEI International Combustion Ltd., NEI John Thompson Ltd., NEI Clarke Chapman Cranes Ltd., NEI Thompson Cochran Ltd., NEI Clarke Chapman Power Engineering Ltd., NEI Bruce Peebles Ltd., NEI Parsons Ltd., NEI Reyrolle Ltd., NEI Electronics Ltd., NEI Projects Ltd., NEI International Ltd., NEI Overseas Ltd.

Northern Engineering Industries Ltd, Cuthbert House, All Saints, Newcastle upon Tyne England NE99 1NT

	Half Year Ended 30.6.78	Half Year Ended 30.6.77	Year Ended 31.12.77
	£ million	£ million	£ million
Turnover	199-000	185-000	387-000
Profit before taxation	15-569	11-650	25-157
Profit attributable to NEI Shareholders (after taxation)	9-858	5-881	13-460
Earnings per ordinary share (excluding extraordinary items)	10-89p	8-64p	20-74p
Dividend per ordinary share	2-5p	2-0p	6-0p

1. The comparative figures for the half year ended 30th June, 1977 have been restated on a basis consistent with that adopted in the audited consolidated accounts for the year ended 31st December, 1977.

2. The results include contributions from International Combustion (Holdings) Limited and its subsidiaries and from Baldwin & Francis (Holdings) Limited respectively from 1st January and 1st February 1978.

NEI
A merger of Clarke Chapman and Reyrolle Parsons

Carpets up to £1.1m midway: sees more

UK domestic and export up £390,000 to £2.18m and Australian loss trimmed to £1.35m. Pre-tax profit up to £1.1m, half-year from £1.13m.

The Australian Government has not yet reacted to an inquiry into the Australian carpet industry, and Mr. Wake says the company has therefore no alternative but to take a cautious view of the second half. The group now expects a loss for the period, although much lower than in the first half.

As well as new management appointments, factory efficiency has been improved, product ranges have been improved and important customers are placing substantial orders.

In the UK the export sector is showing some sign of improvement after sluggish export demand for the first six months. There was an upturn in domestic demand in June, and accordingly the second half is viewed with some optimism.

In New Zealand, indications are that the worst is over and the outlook for the year is not expected to be much different than the midway result.

Reports from the group's manufacturing operations in the U.S., Canada (where the group recorded a £150,000 profit after last year's break-even), Thailand and Malaysia are very encouraging. The overseas sales subsidiaries have put up a good performance under the circumstances.

Mr. Wake is retiring as Carpets chairman at the end of 1978, and will be succeeded by Mr. J. M. Carpenter, the deputy chairman since March 1977. Mr. Wake became chairman in August 1976 after the death of Mr. Peter Anderson.

After tax of £460,000 (£370,000), minorities of £80,000 (£40,000) and extraordinary profits of £20,000 (£10,000) are included in the interim dividend of £1.1m (£1.13m). The dividend is payable on 13 September 1978.

	Half-year	Year
Turnover	1977	1978
£m	£m	£m
UK domestic	1.13	1.13
UK export	0.85	0.85
Australia	1.35	1.35
USA	0.15	0.15
Thailand	0.15	0.15
Malaysia	0.15	0.15
Other	0.15	0.15
Total	2.18	2.18

Comment

In spite of difficult trading conditions, Carpets International's interim profits are more than two-thirds higher. The improvement has come mainly at home where volume sales are around 3 per cent higher, which suggests that the company is gaining market share because the sector overall has been very flat. Against this, however, Australia continues to be a serious problem, with losses cutting group profits by around half. That country contributed about one-quarter of group sales in 1977 but its share of the group's losses has been cut by half to under 10 per cent as a result of cheap imports. The future of this investment now depends on the recommendations of the LAC enquiry, which is due to report shortly. Although some form of protection is expected, it would need a tariff on imports of a 15 per cent for C1 and other materials by around 1980. If this does emerge, then the Australian company would have a good chance of reversing its losses within a year. Meanwhile, the group is confident enough of further progress to return to the dividend list. Around £4m looks possible for the full year with the dividend restored to the 1976 level of 3.3p (covered over 1 1/2 times). At this level, the shares, at 82 1/2p, stand on a price of 5.14 per cent tax charge while the yield of 12.7 per cent more than compensates for current problems.

Steetley still affected by depressed trading

RESULTS of Steetley Company, minerals, chemicals and ceramics group, for the first half of 1978 continued to be affected by depressed trading conditions, and taxable profits fell from £12.47m to £10.18m on external sales up by 26.16m to £126.39m.

A geographical analysis of profit, before interest payable less investment income, of £11.93m against £13.97m, shows: UK (including exports) £9.45m (£11.22m); Canada £1.6m (£1.12m); Australia £294,000 (£257,000); Western Europe £31,000 loss (£548,000 profit), and South Africa £98,000 (£94,000).

UK operations produced similar profits to those in the second half of 1977. The minerals and chemicals sectors performed well, but the refractories sector continued to suffer from the low world level of refractories demand.

Canadian results were encouraging, the directors state with both the minerals and distribution businesses improving their performance compared with the corresponding period in 1977.

Australia, which also has a seasonal element, remained at its 1977 level despite labour disputes in certain major industries, particularly a serious power strike in Victoria.

European losses of £51,000 resulted from a continuation of depressed market conditions, and a world steel recession seriously affected the Riddell sea-water magnesia business.

The Garon minerals group continued to suffer losses arising from existing public works contracts and the management actions is not expected to come through until next year.

The directors state that present indications are that overall economic activity affecting group business will remain at current levels and that results in the second half should be similar to the first half. Profit for 1977 was a record £23.5m.

The net interim dividend payment is stepped up from 2.485053p to 2.730121p per 50p share. Also announced is an additional 0.038979p for 1977 on the reduction in ACT—last year's final was 3.965198p.

Mr. Harry Smith retired as chairman yesterday, and was succeeded by Mr. T. G. Boardman.

Comment

Steetley's first half results show no recovery from the depressed

Peter Black faces future with confidence

The directors of Peter Black Holdings, face the future with confidence, Mr. Thomas Black, chairman, tells members in his annual statement. He says the group is determined to maintain a flexible outlook and will evaluate all opportunities for growth, either organically or by acquisition, as they arise.

As reported on August 4, pre-tax profits for the year to April 30 expanded from £1.45m to a peak £1.94m on turnover of £22.68m against £17.57m. The dividend is increased from 3.73p to 6.43p net per share.

The group's policy of diversification has given it a wide and secure product base, the chairman adds, which provides ample development potential.

There was further growth in the footwear division and diversification into rubber-soled sports footwear will come "on stream" in the current year. Mr. Black adds, first indications are that substantial business will materialise.

Sales in the base division were

Berwick sees recovery

PRE-TAX profits of Berwick Timpo toy manufacturer fell from £402,309 to £371,110 for the first half of 1978 but Mr. J. D. Oakley, the chairman, says that the group's order position is healthy and the directors are confident of a considerable improvement in margins and profit for the full year. For the whole of 1977 profit was down from £995,000 to £579,539.

Sales for the six months were down at £4.95m against £5.28m, due to lower dispatches of spring and summer lines following last year's bad summer, which left the group holding considerable stocks. The chairman says that the figure reflects a return to the group's normal seasonal pattern of first half relative to full year's sales.

After tax of £192,977 (£209,441) earnings are shown as 3.22p (3.3p) per 50p share and the interim dividend is increased from 0.5p to 0.85p net—last year's final was 1.3847p which followed a 0.8p second interim payment.

An agreement has been reached with Ohio Art Company of the U.S., by which subsidiary Model Toys has acquired the UK selling rights for Etch-a-Sketch, a mechanical drawing toy.

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Providence Capitol in UK

new name appeared yesterday in the life assurance market—Providence Capitol Life Assurance. But this was the name of the old Slater Walker insurance company by its new name, the giant U.S. conglomerate Gulf and Western, its most well known holding Paramount Pictures.

Insurance operations of the company since that time have been non-existent with the aid of the successful "h" of the pension arrangement for smaller companies made in conjunction with the Birmingham Chamber of Commerce.

For this year, Gulf and Western purchased Arrow Life to add to its insurance divisions—Providence Capitol. The company now re-issues the UK life and pension et and in the words of Mr.

Kenneth T. King, chairman of Providence Capitol, it intends to become a major force in those markets.

Providence Capitol has assets amounting to more than £70m and covers 60,000 policyholders, including members of group pension schemes. It has accumulated substantial profits despite its inactivity over the past two years, of over £3m and with the capital backing of its parent is well placed to relaunch itself in a big way. And this it intends to do, offering a complete range of life and pension contracts.

On the individual side, the company is offering both savings and protection contracts, with the savings plans being either the traditional with-profit variety or the unit-linked type. The company is making a clean break with its former connections and has appointed Baring Brothers as investment managers in place of Britannia Financial Services (the investment management arm of Slater Walker). Six new funds are available to investors—equity, fixed interest, property, deposit, international and a managed fund which is a combination of the others.

Primarily, the company will be selling through insurance brokers and it is holding a series of group seminars and meetings with pension brokers throughout the country. But it also intends to sell directly at present is recruiting a direct sales force which will operate from seven branches well placed to relaunch itself in a big way. And this it intends to do, offering a complete range of life and pension contracts.

Interim Report for half year ended 1 July 1978

carpets international

Profits up: Dividend resumed

Trading conditions in the UK were not easy during the first half of 1978 and export turnover was some 7% lower than in the previous year. Against this background it is pleasing to be able to report pre-tax profits for the Group, including minority interests, in line with my last statement to shareholders, at £1.13m. These results were adversely affected by Australia, where Pacific Carpets International reported a loss of £1.39m, including nearly £0.3m in respect of the consolidation of manufacturing processes in Melbourne.

Whilst the situation in Australia is still difficult, positive progress is being made. Steps have been taken to strengthen local management and the improved product ranges are beginning to be reflected in sales. Much will depend upon the traditionally busy months leading up to the Christmas break and upon whether the Australian government will allow the industry a fair trading opportunity.

Elsewhere in the world there is steady improvement including New Zealand, where the indications are that the worst is now over.

Since June there has been an encouraging upturn in demand for carpets in the home market and exports are showing some signs of improvement. Accordingly, the second half of the year can be viewed with a degree of optimism.

We have declared an interim dividend of 1.675p per share, payable on 5 December 1978, as anticipated in my statement to shareholders at the Annual General Meeting.

Shareholders will remember, when I took the Chair on the sudden and unexpected death of Peter Anderson in August 1976, that I accepted this appointment for a limited period. I think it is now appropriate for me to announce that I will be handing over to my successor, Mr J. M. Carpenter, at the end of this year.

Jim Carpenter has been my deputy since my appointment. With his long association both with the Company and the industry, assisted by a strong executive team, he will I know ensure that the Company's progress is continued.

Roger Wake

Chairman

	Half year to 1 July 1978	Half year to 1 July 1977	Year to 31 December 1977
Turnover			
The Company and subsidiaries	58.84	52.00	110.67
Consolidated Profit before taxation and extraordinary items			
The Company and subsidiaries	1.05	0.47	0.72
Associated companies	0.08	0.18	0.60
	1.13	0.65	1.32
Taxation Payable	0.46	0.37	0.47
	0.67	0.28	0.85
Minority Interests	0.08	0.04	0.09
Earnings	0.59	0.24	0.76
Extraordinary Items	(0.02)	(0.01)	0.31
Profit attributable to shareholders	0.61	0.25	0.45
Dividend	0.40	0.39	0.39
Retentions	0.21	(0.14)	0.06

The results of the two half years are unaudited.

Interim Dividend. The Directors have declared an interim dividend of 1.675p (1977 1.65p) per share payable on 5 December 1978 to the shareholders on the register at the close of business on 27 October 1978.

How much trouble can you shortcut, when you're setting up a company abroad?

Setting up a new company or partnership abroad is never the simplest of tasks. There are, however, ways of getting the job done with the minimum of fuss and expensive delay. And one of them is to employ financial advisers with experience and knowledge, who are as keen as you to get the job done efficiently. You know this already, of course. Which is why, when you're thinking of an operation in the Austrian market, you'll probably think of Creditanstalt-Bankverein before anyone else. After all, Creditanstalt-Bankverein has a unique background of experience, when it comes to setting up new ventures in Austria. And its executives have met — and solved — any problem you're likely to come across, many times already. Again, Creditanstalt-Bankverein as an EBIC bank — a member of European Banks International — is extremely accessible. If you're planning a new venture, merger, acquisition or any other kind of business development in Austria, call Creditanstalt-Bankverein, and discover just how direct the path to success can be.



Creditanstalt-Bankverein

Schottengasse 6, A-1010 Vienna. Telephone: (0222) 6622-1221. Telex: 74793.



THE SECOND ALLIANCE TRUST COMPANY LIMITED

The following is the Statement by the Chairman, Mr. David F. McCurrach, circulated with the Annual Report for the year to 31st July 1978.

RESULTS

Earnings for the year are 8.3% higher at 8.40p and exceed the forecast made in the Interim Statement in March. This follows on an increase of 18% in earnings last year. The rise in U.K. dividends which was limited by dividend restraint was offset to a considerable degree by the fall in the value of the Dollar as it affected Dollar income, and by lower interest rates on short term deposits.

Your Directors recommend a final dividend of 4.30p making a total of 6.30p against 5.65p, an increase of 11.1%.

VALUATION

As in the previous year the U.K. again proved to be among the most rewarding of the world's major stock markets. The F.T.A. All-Share index rose by over 20% compared with rises of 14% and 9% respectively in Japanese and German stock markets and a rise of only 1% in the U.S.A. Moreover the value of overseas investments was affected by continuing gyrations in currency markets. Sterling appreciated by 11% against the U.S. Dollar, held its value against the German Mark but fell by 21% against the Yen.

Our total net assets increased by 15% to a new high, exceeding the 1972 peak by 12%, and our portfolio of U.K. and U.S. equities outperformed the indices by 4% equivalent to 11p per share in terms of net asset value. Having added substantially to U.K. equities over the previous 3 years we have recently reduced U.K. equity holdings by £1.7m. in the rising market and added to gilt-edged.

CAPITAL GAINS TAX

We welcome the reduction in the Budget in the effective rate of Corporation Tax on gains made by Investment Trusts from 17% to 10%. This follows a vigorous campaign by The Association of Investment Trust Companies for the elimination of this tax on Investment Trusts. Consequently upon the change, the tax credit which our shareholders can offset against gains taken on other securities which is now 17%, falls to 10% with effect from 6th April 1979.

THE FUTURE

It is an accepted truism that politics and politicians dominate the economic future, apparently never more so than on the brink of a British General Election and on the morrow of Bremen and Bonn. This may be right in the context of short-term movements and market values, but otherwise it is in part a deceptive half-truth in the sense that it treats symptoms as causes and palliatives as cures. Every economy in the world has, over years, become entwined in tangles of controls, quotas, subsidies and interventions bearing on wages and prices, food and fuel, trade and commodities, investment, interest rates and exchange values. These have created such distortions and pressures with a momentum of their own as would tax the wisdom of Solomon and the patience of Job to control, let alone bring to unravel. Wages control in Britain and fuel policy in the United States are cases in point. These forces allied with social pressures which they have brought into being alike help to select the politicians and dictate their actions.

At home, the scope for radical change by any Government is very limited. The decisive forces are the status of sterling, the tolerance of labour, delays or disappointments in North Sea oil and sluggish world growth already propped up by the United States. The U.S. economy in turn is already running at almost full blast, despite structural unemployment, with huge budget and trade deficits, with credit fully stretched alike for individuals, businesses and banks, and with low productivity growth and high inflation. There is division and confusion, not only in the nation at large (there have been successful votes against high state taxation); the Congress, the Administration and even the Federal Reserve Bank are at odds within themselves on priorities and policies. There have been signs of some convergence in stock markets, but none in the fragility of the dollar in a world still without any monetary system. The possibility of a European Currency Unit is one field in which political action could have decisive results - and could have favourable possibilities for Britain (less in terms of added support for sterling than in sustaining discipline) if we take part, but ominous ones if we do not.

While all these doubts cloud any forecast of capital values (they do not necessarily imply falls), we can speak more confidently about our own future earnings. We can give only the most qualified of welcomes to the minor easing of dividend limitation. While we are largely invested in dynamic companies typically having low distributions and yields the cover and timing limitations will deny us increases which growing earnings would have warranted. The weighted average yield on our U.K. equities is 4.7%, against 5.4% for the F.T.A. index. Similarly in the U.S. the welcome ending of the currency premium surrender, which we acknowledge with gratitude and relief, has made it possible for us steadily to increase our proportion in smaller specialised businesses with high growth. There, our weighted average market yield is 3.3%, against 4.7% for the Standard and Poors index. On the basis of current dividend and exchange rates our earnings estimate for the current year stands at 6.83p. An increase of 12.3% in U.K. dividends rates would in a full year add 0.58p. In short despite controls and currency risks we see the best hope of avoiding the uncertain climate of markets by concentrating on the companies most likely to thrive in any weather.

DIVIDEND INVESTMENT PLAN

Attention is drawn to the operation of the Company's Dividend Investment Plan and to the benefits accruing to participants from averaging purchases during 9 years of violently fluctuating stock markets. Initial participants will have increased their holdings by nearly a quarter at an average cost of 150p compared with a market price of 205p at 31st July 1978. A Form of Authorisation can be obtained from the Secretary at the Company's Registered Office or from the Agents for the Plan, The Royal Bank of Scotland Limited, 31 St. Andrew Square, Edinburgh EH2 2AB.

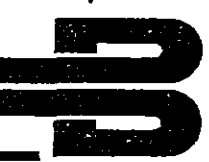
25th August 1978

Bestobell

International Engineering and Chemical Products Group INTERIM REPORT 1978

	First Half Year	Year
	Unaudited	Audited
1978	1977	1977
£'000	£'000	£'000
SALES	47,375	40,694
NET PROFIT BEFORE TAX	2,376	2,725
NET PROFIT AFTER TAX	1,639	1,534
INTERIM DIVIDEND	3.69p	3.60561p
Additional Dividend in respect of previous year	0.08832p	0.08029p
TOTAL (payable 6th October 1978)	3.77832p	3.68590p

- Record UK sales and profits.
- Setback in overseas results - difficult trading conditions in Central and Southern Africa.
- Interim Dividend maintained - with 1977 total Dividend raised to revised permitted maximum.



Bestobell Limited
Stoke House, Stoke Green,
Stoke Poges, Slough SL2 4HS

All these securities have been sold. This announcement appears as a matter of record only.

NEW ISSUE

AUGUST 1978



DOW BANKING CORPORATION

SFR. 50,000,000

3% % Bonds of 1978/1988

Union Bank of Switzerland

Credit Suisse

Swiss Bank Corporation

Dow Banking Corporation

Handelsbank N.W.

BIDS AND DEALS

Now Courtaulds moves in for Compton

BY ANDREW TAYLOR

A NEW suitor has entered the battle for J. Compton Sons and Webb, the uniform manufacturer, as Courtaulds announced an agreed bid worth £11.5m. This compares with the cash and shares offer from Carrington Virella of £10m.

Another textile group, Vantona, pulled out of the race two weeks ago having failed to agree a price after acquiring a near 9 per cent stake in the company.

Courtaulds, the textile, paint and packaging group, is bidding for more than £350m in bidding for its own shares for every seven Compton shares at 70p and the company at £11.5m with Courtaulds shares standing at 122p yesterday to 39p but this was before the new bid was announced.

The offer from Carrington, which only emerged at the end of last week, is for four shares plus 30p cash for every share. Compton shares - but the Compton Board had already indicated that it would not accept.

It is, however, backing the Courtaulds offer and directors tend to accept in respect of their 2.7 per cent stake.

It appears that the Courtaulds bid was prompted only after the Carrington bid was announced, and it remains to be seen whether Carrington will now come up with a higher bid.

Last year Compton's pre-tax profits slipped from £2.8m to the £1.83m and Courtaulds says that a precondition to its bid is that an earnings forecast from Compton for pre-tax profits in the current year of approximately £2m.

Courtaulds clearly disliked the idea of Compton falling into the hands of any other major textile group and says it will run the

uniform manufacturer as an independent body under the umbrella of its consumer products division. Compton has a major share of the UK uniform market supplying the military, public authorities, railways, police and such like, but Courtaulds sees a significant growth potential in overseas markets.

Tricentral pays in shares

Tricentral, the UK oil trading and garages group, has carried out what amounts to a small, private share issue.

It has decided to pay Opm International, manager of its oil and gas exploration division, in shares rather than cash to cover royalty payments due for the last three months on production from the North Sea Thistle Field. Mr. J. G. S. Longcroft, managing director of Tricentral, is a director of Opm.

Tricentral has a 9.5 per cent stake in the Thistle Field. It pays a royalty of 2.5 per cent to Opm on the production from all projects entered into before October 31, 1975. It has a choice to pay the royalty either monthly in cash or every three months in shares.

For the three months to the end of August it has chosen to pay the royalty of £225,422 by the issue of 125,828 ordinary shares. These shares are to be placed in order to provide the cash payment due.

The increased cashflow from the Thistle production is being largely devoted at present to meeting payments due on loans raised to finance Tricentral's share of development costs.

Saint Piran up to maximum in Orme

BY JAMES BARTHOLOMEW

Saint Piran bought just over 200 shares in Orme Development yesterday, taking its holding to the maximum level of 25.2 per cent allowed by the City Take-over Panel without triggering a takeover bid.

The full Panel will today consider the appeal by Saint Piran for the limit to be changed to the normal one of 30 per cent. The special level was set after Saint Piran, together with parties deemed to be acting in concert, had mistakenly gone through the normal level.

The Saint Piran nominees on the Board of Orme yesterday sent time shareholders a letter urging them to reject the offer from Comben Group.

They argue that the full value of land bank of Orme is not reflected by the Comben offer and that Saint Piran has backed this judgment by buying Orme shares at prices of up to 38p. They believe that Orme will be successfully developed with the help of Saint Piran whose ability in this field has been demonstrated, they say, by the performance of its housebuilding subsidiary Mitbur.

They suggest that house prices are increasing dramatically at present.

Saint Piran has also written a circular to its own shareholders providing information about its investment in A. Monk and Company, Orme and other investments. The directors say that a profit of £251,000 was made on the sale of 30,000 shares in A. Monk, which was made when the Panel insisted that Saint Piran dispose of 1m shares in Orme. Saint Piran's holding is now 17.1 per cent.

Piran has deposited £800,000 in Australia for investment purposes.

comment

The moment of decision has arrived for Orme shareholders. The last acceptance date for Comben's cash offer is Monday, although the cash and shares offer will probably be further extended. Comben's original terms have been improved twice despite the non-appearance of a rival bidder. Saint Piran asserts that the company will do better under its guidance but the non-alignment of executive directors of Orme prefer to throw in their lot with Comben. The shares will probably fall back if the bid fails after a period of being Comben's cash plus shares offer.

THOMSON ORG.

A scheme that will make the Thomson Organisation a wholly-owned subsidiary of other companies in the Thomson Group was approved in the High Court yesterday.

LEAD INDUSTRIES

Anzon America Inc., a newly formed U.S. subsidiary company of Lead Industries Group, has purchased for approaching £2m the 100% shareholding in Anzon Industries Inc., including the antimony smelter located in Laredo, Texas.

SHARE STAKES

F. J. C. Lilley: Mr. F. J. C. Lilley has sold 100,000 shares. His holding is now 776,000 shares.

Westpool Investment Trust: Legal and General Assurance Society now holds 1,633,000 shares (21.1 per cent). The society previously held 808,000 shares. It is understood that the additional 730,000 shares were acquired from Lewis's Ltd., which company's holding is thereby reduced to nil. Lewis's Selfridges Pension Scheme holding remains at 401,300 shares.

Restate: Norwich Union Insurance Group now holds 973,700 ordinary shares (3.33 per cent).

Globe and Phoenix Gold Mining Co.: Jove Investment Trust has acquired an interest in a further 3,500 stock units (0.40 per cent) bringing its interest to 5.66 per cent.

Leisure Caravan Parks: Shareholders in the company of directors and their families have been reduced in the past few days by the following - Mrs. C. L. Harris, 50,000 shares, Mr. A. P. Allen, 50,000 shares, Mr. J. C. Cook, 10,000 shares, and Mrs. R. M. Cook, 10,000 shares.

J. E. Sanger - following purchases totalling 100,000 shares, the Asia Pacific Group on September 11 was interested in 1,030,000 shares (10.3 per cent).

Castings - Mrs. S. P. Davis has recently disposed of 13,833 shares and her total holding is now 410,000 (6.08 per cent).

Scottish Real Estate Investment Co. - Edinburgh Securities Co. has sold the total shareholding of 560,000 ordinary shares (8 per cent).

Wright Construction Holdings - Mr. J. Manson has disposed of 45,000 ordinary shares and his holding now amounts to 100,000.

ASSOC. SPRAYERS

Mr. H. E. Newton-Mason, chairman of Associated Sprayers, has sold 200,000 shares reducing his stake in the company from 18 per cent to 12 per cent. The shares have been placed with institutions.

The Newton-Mason family interests however still maintain a significant holding in the company.

MINING NEWS

Tasmania doubles levy on high earnings

BY PAUL CHEESBRIGHT

THE TASMANIAN GOVERNMENT has decided to levy double royalties on mining companies which earn more than £50m (£2.5m a year before tax). The measure, contained in the 1978 state budget, seems bound to anger Consolidated Gold Fields and Peko-Wallaseid, the two groups most affected.

Mr. Neil Batt, the State Treasurer, said in Hobart that where companies had earnings of more than £50m they could pay whichever is the lesser of:

- a 3 per cent royalty on mining profits;
- 10 per cent of the pre-tax profits earned on the sales.

Where companies earn less than £50m they will have to pay either a 2.5 per cent royalty on sales or 5 per cent of pre-tax profits.

The Tasmanian move comes at a time when both the state and the federal Governments of Australia have been tending to life easier for mining groups, subject to certain domestic equity provisions, rather than the reverse.

However, the cash Mr. Batt expects to raise is £1.5m a year - a far cry from the £2.5m which can be seen as reflecting the special situation within Tasmania.

Mr. Batt conceded that the funds would help to offset the expected state aid of £15.6m for Mount

Lyell Mining and Railway, the loss-making copper producer, owned by the Gold Fields group.

As the Gold Fields group also has in Tasmania an extremely profitable tin mining company, the Tasmanian Government is effectively taking cash from one part of Gold Fields to put it in another.

Referred to as the "other mining company" which, on the basis of present figures, would have to pay a double royalty is King Island Scheelite, a Peko-Wallaseid unit.

It is hardly likely that there will be much enthusiasm at Peko for providing the funds to subsidise Mount Lyell, but the Gold Fields reaction is likely to be more complex.

Mr. Lyell is being kept open with state aid, following the group's decision to withdraw in the face of mounting losses if such funds were not forthcoming.

Indeed, the mine was written off with provisions of £20.9m in the 1976-77 financial year. But when talks between the group and the Government were taking place on the future of the mine, the federal election of December 1977, there was no mention of any special tax being levied to pay for the subsidy.

At the same time it was agreed that if Mount Lyell ever became profitable then the advanced in state aid, paid back, with the 10 per cent of the double levy, is in danger of having to the money twice.

In the year to last June had pre-tax profits of an increase of 64 per cent before, consequent buoyant tin prices.

CRA TAKES O BHP SALT ON

Dampier Salt, the Con Tinto of Australia unit, under Texada Mines, the dunder in the Broken Hill group. The move transfers the share both companies, in Western Australian Gov was involved.

The ownership of Dam will be divided between three Japanese companies - Marunishi, Nishikawa and who are customers of Dampier and Texada. 7 proportions have not been settled.

The aim of the merger only to achieve cost at a time when the late industry has been hit by economic recession but create greater flexibility of supplies.

Amex raises private loan for new molybdenum mine

AMAX, the diversified U.S. minerals group which recently received takeover overtures from Standard Oil (California), has raised \$100m (£31.4m) for the re-opening of the Kilauea molybdenum mine and mill in British Columbia.

A group statement issued yesterday said that a private financing had been completed with the Royal Bank of Canada, in return for the funds Amex is issuing 2m shares of non-convertible series "D" preferred stock.

The dividend rate on the stock is currently 5.2 per cent but is subject to periodic adjustment. The average life of the shares is nine years, but Amex has the option to redeem the shares from March 1981 onwards.

The re-development of Kilauea has been in the air for some time. The last annual report of the group said that the economic feasibility of the re-opening in the early 1980s was being considered.

The decision to start production at Kilauea and to re-open the mine, the leadership of Amex in the molybdenum industry despite the number of fresh discoveries by other companies in North America.

Amex's output is currently on the decline as the Kilauea and Henderson mines in Colorado while preliminary feasibility studies are taking place at

another major deposit, Mount Emmons, also in Colorado.

Kilauea will not be a small mine although its projected production rates will only be fifth of that at Henderson or Climax. Reserves at the deposit are put at 105m tons, but they are not fully defined. The expanded mine will be able to process 12,000 tons of ore a day giving an annual output of 100,000 lbs of molybdenum concentrates a year.

At such a rate the mine would have a life of about 25 years. The ore grade is 0.192 per cent molybdenum disulfide.

Amex shares which have been added to the group's shareholdings from Socar and the expectation that a higher offer will eventually be made were 53p yesterday in London.

ANOTHER STRIKE AT UTAH

Industrial difficulties again hit the Queensland coal mines of Utah Development when, yesterday, the miners, started a 48-hour strike in protest against what they considered to be the company's slowness in finalising a wage agreement.

The agreement was reached at the end of July but only after the miners had halted operations for six weeks and put a stop to all exports at a daily cost to the

federal government a \$1m (£292,750) in lost revenues.

In London yesterday, the Utah Mining, the investment in Utah Dev was unchanged at 850p.

PROFITS SUR AT TERRA

Net income at Terra and Exploration, the silver producer, su \$31.14m (£505,450) in year to June from 1977 the same period of 1977.

Production was sharp in this year's first half it was 1.23m ounces of silver, 718,505 ounces in the half. The combined profit from Terra and Exploration was \$1.1m (£17,500) in the first half.

from the joint venture Norox Resources on G. Lake in the North-West Territories was at a record.

MINING BRIEF

Production Statistics, 1978

Transocean Gulf Oil Company 9% Guaranteed Debentures Due 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of October 15, 1978, under which the above designated Debentures are issued, \$1,500,000 aggregate principal amount of 9% Debentures of the Transocean Gulf Oil Company has been selected for redemption on October 15, 1978 (the "Redemption Date").

The following table sets forth the names of the holders of the Debentures so selected for redemption, the principal amount of each Debenture, and the name of the owner of each Debenture as shown on the books of the Company maintained for that purpose.

\$1,500,000 Corporate Debentures Bearing the Prefix Letter M

29	1271	2361	2394	4437	5826	6827	8019	9143	11857	12693	13787	14756	15699	16834	17856
36	1286	2379	2403	4446	5835	6836	8028	9152	11866	12702	13796	14765	15708	16843	17865
43	1291	2384	2408	4451	5840	6841	8033	9157	11871	12707	13801	14770	15713	16848	17870
50	1296	2389	2413	4456	5845	6846	8038	9162	11876	12712	13806	14775	15718	16853	17875
57	1301	2394	2418	4461	5850	6851	8043	9167	11881	12717	13811	14780	15723	16858	17880
64	1306	2399	2423	4466	5855	6856	8048	9172	11886	12722	13816	14785	15728	16863	17885
71	1311	2404	2428	4471	5860	6861	8053	9177	11891	12727	13821	14790	15733	16868	17890
78	1316	2409	2433	4476	5865	6866	8058	9182	11896	12732	13826	14795	15738	16873	17895
85	1321	2414	2438	4481	5870	6871	8063	9187	11901	12737	13831	14800	15743	16878	17900
92	1326	2419	2443	4486	5875	6876	8068	9192	11906	12742	13836	14805	15748	16883	17905
99	1331	2424	2448	4491	5880	6881	8073	9197	11911	12747	13841	14810	15753	16888	17910
106	1336	2429	2453	4496	5885	6886	8078	9202	11916	12752	13846	14815	15758	16893	17915
113	1341	2434	2458	4501	5890	6891	8083	9207	11921	12757	13851	14820	15763	16898	17920
120	1346	2439	2463	4506	5895	6896	8088	9212	11926	12762	13856	14825	15768	16903	17925
127	1351	2444	2468	4511	5900	6901	8093	9217	11931	12767	13861	14830	15773	16908	17930
134	1356	2449	2473	4516	5905	6906	8098	9222	11936	12772	13866	14835	15778	16913	17935
141	1361	2454	2478	4521	5910	6911	8103	9227	11941	12777	13871	14840	15783	16918	17940
148	1366	2459	2483	4526	5915	6916	8108	9232	11946	12782	13876	14845	15788	16923	17945
155	1371	2464	2488	4531	5920	6921	8113	9237	11951	12787	13881	14850	15793	16928	17950
162	1376	2469	2493	4536	5925	6926	8118	9242	11956	12792	13886	14855	15798	16933	17955
169	1381	2474	2498	4541	5930	6931	8123	9247	11961	12797	13891	14860	15803	16938	17960
176	1386	2479	2503	4546	5935	6936	8128	9252	11966	12802	13896	14865	15808	16943	17965
183	1391	2484	2508	4551	5940	6941	8133	9257	11971	12807	13901	14870	15813	16948	17970
190	1396	2489	2513	4556	5945	6946	8138	9262	11976	12812	13906	14875	15818	16953	17975
197	1401	2494	2518	4561	5950	6951	8143	9267	11981	12817	13911	14880	15823	16958	17980
204	1406	2499	2523	4566	5955	6956	8148	9272	11986	12822	13916	14885	15828	16963	17985
211	1411	2504	2528	4571	5960	6961	8153	9277	11991	12827	13921	14890	15833	16968	17990
218	1416	2509	2533	4576	5965	6966	8158	9282	11996	12832	13926	14895	15838	16973	17995
225	1421	2514	2538	4581	5970	6971	8163	9287	12001	12837	13931	14900	15843	16978	18000
232	1426	2519	2543	4586	5975	6976	8168	9292	12006	12842	13936	14905	15848	16983	18005
239	1431	2524	2548	4591	5980	6981	8173	9297	12011	12847	13941	14910	15853	16988	18010
246	1436	2529	2553	4596	5985	6986	8178	9302	12016	12852	13946	14915	15858	16993	18015
253	1441	2534	2558	4601	5990	6991	8183	9307	12021	12857	13951	14920	15863	16998	18020
260	1446	2539	2563	4606	5995	6996	8188	9312	12026	12862	13956	14925	15868	17003	18025
267	1451	2544	2568	4611	6000	7001	8193	9317	12031	12867	13961	14930	15873	17008	18030
274	1456	2549	2573	4616	6005	7006	8198	9322	12036	12872	13966	14935	15878	17013	18035
281	1461	2554	2578	4621	6010	7011	8203	9327	12041	12877	13971	14940	15883	17018	18040
288	1466	2559	2583	4626	6015	7016	8208	9332	12046	12882	13976	14945	15888	17023	18045
295	1471	2564	2588	4631	6020	7021	8213	9337	12051	12887	13981	14950	15893	17028	18050
302	1476	2569	2593	4636	6025	7026	8218	9342	12056	12892	13986	14955	15898	17033	18055
309	1481	2574	2598	4641	6030	7031	8223	9347	12061	12897	13991	14960	15903	17038	18060
316	1486	2579	2603	4646	6035	7036	8228	9352	12066	12902	13996	14965	15908	17043	18065
323	1491	2584	2608	4651	6040	7041	8233	9357	12071	12907	14001	14970	15913	17048	18070
330	1496	2589	2613	4656	6045	7046	8238	9362	12076	12912	14006	14975	15918	17053	18075
337	1501	2594	2618	4661	6050	7051	8243	9367	12081	12917	14011	14980	15923	17058	18080
344	1506	2599	2623	4666	6055	7056	8248	9372	12086	12922	14016	14985	15928	17063	18085
351	1511	2604	2628	4671	6060	7061	8253	9377	12091	12927	14021	14990	15933	17068	18090
358	1516	2609	2633	4676	6065	7066	8258	9382	12096	12932	14026	14995	15938	17073	18095
365	1521	2614	2638	4681	6070	7071	8263	9387	12101	12937	14031	14999	15943	17078	18100
372	1526	2619	2643	4686	6075	7076	8268	9392	12106	12942	14036	15004	15948	17083	18105
379	1531	2624	2648	4691	6080	7081	8273	9397	12111	12947	14041	15009	15953	17088	18110
386	1536	2629	2653	4696	6085	7086	8278	9402	12116	12952	14046	15014	15958	17093	18115
393	1541	2634	2658	4701	6090	7091	8283	9407	12121	12957	14051	15019	15963	17098	18120
400	1546	2639	2663	4706	6095	7096	8288	9412	12126	12962	14056	15024	15968	17103	18125
407	1551	2644	2668	4711	6100	7101	8293	9417	12131	12967	14061	15029	15973	17108	18130
414	1556	2649	2673	4716	6105	7106	8298	9422	12136	12972	14066	15034	15978	17113	18135
421	1561	2654	2678	4721	6110	7111	8303	9427	12141	12977	14071	15039	15983	17118	18140
428	1566	2659	2683	4726	6115	7116	8308	9432	12146	12982	14076	15044	15988	17123	18145
435	1571	2664	2688	4731	6120	7121	8313	9437	12151	12987	14081	15049	15993	17128	18150
442	1576	2669	2693	4736	6125	7126	8318	9442	12156	12992	14086	15054	15998	17133	18155
449	1581	2674	2698	4741	6130	7131	8323	9447	12161	12997	14091	15059	16003	17138	18160
456	1586	2679	2703	4746	6135	7136	8328	9452	12166	13002	14096	15064	16008	17143	18165
463	1591	2684	2708	4751	6140	7141	8333	9457	12171	13007	14101	15069	16013	17148	18170
470	1596	2689	2713	4756	6145	7146	8338	9462	12176	13012	14106	15074	16018	17153	18175
477	1601	2694	2718	4761	6150	7151	8343	9467	12181	13017	14111	15079	16023	17158	18180
484	1606	2699	2723	4766	6155	7156	8348	9472	12186	13022	14116	15084	16028	17163	18185
491	1611	2704	2728	4771	6160	7161	8353	9477	12191	13027	14121	15089	16033	17168	18190
498	1616	2709	2733	4776	6165	7166	8358	9482	12196	13032	14126	15094	16038	17173	18195
505	1621	2714	2738	4781	6170	7171	8363	9487	12201	13037	14131	15099	16043	17178	18200
512	1626	2719	2743	4786	6175	7176	8368	9492	12206	13042	14136	15104	16048	17183	18205
519	1631	2724	2748	4791	6180	7181	8373	9497	12211	13047	14141	15109	16053	17188	18210
526	1636	2729	2753	4796	6185	7186	8378	9502	12216	13052	14146	15114	16058	17193	18215
533	1641	2734	2758	4801	6190	7191	8383	9507	12221	13057	14151	15119	16063	17198	18220
540	1646	2739	2763	4806	6195	7196	8388	9512	12226	13062	14156	15124	16068	17203	18225
547	1651	2744	2768	4811	6200	7201	8393	9517	12231	13067	14161	15129	16073	17208	18230
554	1656	2749	2773	4816	6205	7206	8398	9522	12236	13072	14166	15134	16078	17213	18235
561	1661	2754	2778	4821	6210	7211	8403	9527	12241	13077	14171	15139	16083	17218	18240
568	1666	2759	2783	4826	6215	7216	8408	9532	12246	13082	14176	15144	16088	17223	18245
575	1671	2764	2788	4831	6220	7221	8413	9537	12251	13087	14181	15149	16093	17228	18250
582	1676	2769	2793	4836	6225	7226	8418	9542	12256	13092	14186	15154	16098	17233	18255
589	1681	2774	2798	4841	6230	7231	8423								

Petrocon looking for better second half

ALTHOUGH PRE-TAX profits of Petrocon Group are down on 1977, the company is confident that better results will be produced in the second half.

The interim dividend is maintained at 1.51p—last year's total was 4.11p—on pre-tax profits of £85,258.

First-half turnover amounted to £3.7m against £5.14m. The charge is £95,000—the previous charge is also £95,000 but has been restated to reflect £112.

As stated in the annual report, the directors expect the benefits from an increasing order book to be realised in the year although the benefits have been slow to materialise.

Activities of the group include selling and supplying equipment for the oil, petrochemical, process and water industries.

Manufactures contributed £3.3m to turnover and £173,000 profit; services, £2.7m and £6,000 and leasing, £58,000 and £200.

The manufacturing division produced poor results, says Mr. P. G. Odgers, chairman. Ham Baker is still affected by production of users at low margins but he expects this to improve in the coming months.

For the future, directors say that in the current year sales are satisfactory, although it is too early to forecast the final result.

Asstons Controls continues to be held back by a lack of orders for process valves but production now being stepped up to fulfil considerable nuclear commitments and better results are expected in the second half.

The services division continued to suffer from the international recession in the process industry. It found business difficult to generate. There is currently some recovery in increased capital investment, but it is too early to say whether this can be sustained.

Offshore Drilling was badly affected by the depression in the marine industry and incurred a small loss. Offshore Drilling supplies continues to find competition severe in the North Sea but revenue from the oil rental in the U.S. continues to be buoyant.

Although Swire Petrocon, the associated company in South East Asia, showed a drop for the half, it now has a number of

substantial contracts for rental tools and revenue should increase to very satisfactory levels in the second six months.

Printing division by the acquisition of Convera, a colour printer, confectioner, increased 18 per cent to a record £34.2m in the year ended June 24, 1978, and profits before tax were £1.62m against £1.35m after an exceptional credit of £28,000 compared with a £74,000 debit last time.

First half profits had shown an increase from £1.02m to £1.27m. The final dividend is 3.86p/7.5p per 25p share making a maximum permitted 5.40p/7.5p against 4.84p/23.5p previously.

Year ended 1977-78 1978-79

Turnover 2,266,671 1,852,255

Profit before tax 23,712 106,730

Profit after tax 17,847 108,452

Dividend 11,746 14,775

Loan word interest and overheads 28,336 47,792

Provision releases 26,487 350,282

Taxation 45,000 52,700

Net profit 17,847 108,452

Matt. Clark margins reduced

ALTHOUGH SALES of Matthew Clark and Sons (Holdings) rose from £39,74m to £44,78m, lower margins left pre-tax profit down from £2.01m to £1.9m in the April 30, 1978, year.

Sales are after customs and excise duty of £21,03m against £17,26m. The result is subject to tax of £0.99m (£1.02m) and after minority interests of £350,850 (£255,209) and an extraordinary credit of £81,277 (£40,023 debit) attributable profit came out at £0.72m (£0.71m).

Earnings per 25p share of the wine and spirit shipper and merchant and British wine maker are shown down from 17.3p to 15.5p. The final dividend of 4.19p net takes the total from 5.19p to 5.79p, and leaves retained profit at £469,304 (£470,531).

For the future, directors say that in the current year sales are satisfactory, although it is too early to forecast the final result.

Midterm progress by Corinthian

Including provision releases of £36,211 against £37,874, profits before tax of Corinthian Holdings advanced from £130,182 to £226,687 for the first half of 1978. Turnover was up £0.57m to £2.57m.

After tax of £58,000 (£49,700), minorities and an extraordinary credit of £333,293 last time, attributable profits fell from £418,078 to £124,539.

Stated earnings per 10p share before the extraordinary item are 2.3p (1.36p) and 2.3p (7.89p) after. The net interim dividend is raised from 0.2p to 0.35p—last year's final was 0.5p from £504,875 pre-tax profits.

The directors describe the first half period as one of "continuing steady progress." All divisions traded satisfactorily and are continuing to do so.

During the half, the group increased the capability of its

printing division by the acquisition of Convera, a colour printer, confectioner, increased 18 per cent to a record £34.2m in the year ended June 24, 1978, and profits before tax were £1.62m against £1.35m after an exceptional credit of £28,000 compared with a £74,000 debit last time.

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AVCO FINANCIAL SERVICES LIMITED

Maynards reaches £1.62m in buoyant trading

GROUP SALES of Maynards, a confectioner, increased 18 per cent to a record £34.2m in the year ended June 24, 1978, and profits before tax were £1.62m against £1.35m after an exceptional credit of £28,000 compared with a £74,000 debit last time.

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stand that it is the Independent Broadcasting Authority's intention to extend Border's contract along with all others until December, 1981, Sir John states.

Advertising income is still buoyant and unless there is a major industrial setback during the next few months, the current year should be financially satisfactory, he adds.

At the year-end, fixed assets amounted to £581,978 (£369,439) and net current assets were ahead from £321,902 to £411,833.

Meeting, Carlisle, October 6 12.30 pm.

Reports to meetings

Mr. Ronald Ozden, chairman of General Engineering Company (Radcliffe), the cable machinery, vacuum products and waste disposal equipment manufacturer, told shareholders at yesterday's AGM that profit margins were still suffering from competitive pressures.

The company which is changing its year-end from March 31 to December 31 incurred pre-tax losses of £512,000 last year and has forecast a £750,000 loss for the first half current year, but says that the second half should "become increasingly profitable."

Mr. Mark Russell, chairman and chief executive of B. Elliott, said UK demand for machine tools has been maintained in the current year while the group's overseas companies have been showing improvement. The group's total order book has increased slightly since the beginning of the year and stands at just over £30m.

Due to the delay in the political decision about the future of broadcasting, the directors under-

Struck for the first time by an Exchequer levy payment amounting to £54,200, pre-tax profits of Border Television expanded from £269,267 to £369,364 for the year ended April 30, 1978.

Turnover was higher at £2.81m (£1.95m) of which advertising revenue jumped 31 per cent to nearly £2.5m. After tax of £200,000 (£140,000) net profits rose from £120,267 to £169,864.

A final dividend of 1.2p net lifts the total payout to 1.9p (1.7p) per 10p share, absorbing £47,310 (£42,330). Earnings per share improved from 4.8p to 8.6p.

Sir John Burgess, the chairman, says that the company invested £166,000 in new equipment for the period and during the current year the directors have authorised a further investment of £236,000, a major item being the computerisation of its sales operation in London and Carlisle.

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Astbury & Madeley (HOLDINGS) LIMITED

PRE-TAX PROFIT UP 52.7% AT HALF-YEAR 1 FOR 4 RIGHTS ISSUE

Half-year ended 30.6.1978 30.6.1977 Year ended 1977

Turnover £'000 4,372 3,346 £'000 6,818

Group profit before taxation 430 275 752

Taxation 225 145 420

Profit after taxation 195 130 362

Earnings per share 4.84p 3.28p 8.86p

Group profits for the six months ended 30th June, 1978 show an increase of 52.7% over those of the corresponding period in 1977. The profits include a contribution for the first time from Birmingham Steel Company Limited which was acquired on 3rd January, 1978. The Directors anticipate that, subject to unforeseen circumstances, the pre-tax profit for the whole of the financial year will not be less than £850,000.

An interim dividend of 5p per share (1977: 38p) will be paid on 13th October, 1978 to shareholders on the register at the close of business on 15th September, 1978. It is the intention of the Directors to recommend a final dividend for the year ended 31st December, 1978 of 1.5p per share (1977: 7.8p) making a total for the year of 2p per share (1977: 1.68p). H.M. Treasury has agreed to the payment of these dividends in the context of the proposed rights issue outlined below.

(a) to increase the authorised share capital of the Company by creating further Ordinary shares;

(b) to issue to shareholders 12,095,238 Ordinary shares of 5p each credited as fully paid by way of capitalisation of reserves;

(c) to consolidate the existing Ordinary shares of 5p each and the 12,095,238 shares issued by way of capitalisation into Ordinary shares of 20p each; and

(d) to issue 1,007,936 Ordinary shares of 20p each by way of rights at 30p per share in the proportion of one new Ordinary share for every four Ordinary shares held.

In order to effect the issues it is necessary to increase the authorised share capital of the Company. It is proposed that the Company should increase its authorised share capital from £300,000 to £1,250,000 by the creation of 19,000,000 Ordinary shares of 5p each. Accordingly an Extraordinary General Meeting is being convened for 12th October, 1978.

A circular will be sent to shareholders on 19th September, 1978 explaining these proposals and their effect.

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MANCHESTER:	PICCADILLY STATION, PLATFORM 12	5TH SEPTEMBER 10AM-5PM
NOTTINGHAM:	WILFORD ROAD FREIGHT YARDS	6TH SEPTEMBER 10AM-5PM
BIRMINGHAM:	MOOR STREET STATION	7TH SEPTEMBER 10AM-5PM
COVENTRY:	WARWICK ROAD FREIGHT YARD	8TH SEPTEMBER 10AM-5PM
SLOUGH:	FREIGHT YARD, STOKE POGES LANE	11TH SEPTEMBER 10AM-5PM
READING:	MOTORAIL TERMINAL	12TH SEPTEMBER 10AM-5PM
BECKENHAM:	BECKENHAM JUNCTION STATION	13TH SEPTEMBER 11.30AM-4.30PM
CROYDON:	FREIGHT YARD, EAST CROYDON STATION	14TH SEPTEMBER 10AM-5PM
SOUTHAMPTON:	CENTRAL STATION, PLATFORM 5	15TH SEPTEMBER 10.30AM-4.30PM

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OIL AND GAS NEWS

Dome leases vessel for Beaufort find

CONFIRMING industry rumours, the well was drilled by an Exxon unit, Esso Exploration and Production Co., as operator in association with Elf Aquitaine, the coast guard icebreaker John Macdonald to support the company's Beaufort Sea drilling operations.

The company is also "actively considering" seeking Government approval to extend the current Arctic drilling season beyond September 25.

Dome has negotiated exclusive use of the icebreaker at an estimated cost of \$310m for one year, effective immediately, with options to extend the lease next year.

Last spring, Dome deferred planned construction of a proposed icebreaker, estimated to cost \$215m, after failing to gain federal Government support for the project.

The leasing of the icebreaker and the fact that Dome is seeking approval to extend the drilling season beyond September 25 can only add fuel to the speculation that is currently surrounding Dome Petroleum shares on the Toronto market.

They have risen sharply over the past few weeks and improved strongly on Tuesday to register a new 1978 high of C\$105 on continuing hopes that the Kananaskis-13 and Ukaluk-20-30 wells in the Beaufort Sea have encountered massive pay zone thicknesses.

The company recently stated that testing of the two wells cannot begin until total depths have been reached. These depths are expected to be attained in about two weeks, although Dome has said it may extend the estimated total depth of the Kananaskis-13 well to 16,000 feet from the previously planned 14,000 feet.

Exxon Corporation says that drilling of the Ukaluk-20-30 well 125 miles offshore French Louisiana has been terminated with no indications of oil or gas.

A consortium of Canadian companies has signed a contract to explore and develop petroleum off Vietnam on blocks 01 and 02, covering about 3.4m acres, some 300 miles from Ho Chi Minh City, in the South China Sea, according to PetroVietnam, the Vietnamese national oil company.

The consortium includes Bow Valley, an operator, with 30 per cent, Westburne International, 30 per cent, Siebens Oil and Gas, 30 per cent, and Seapre Resources, 10 per cent. The first well is expected to be drilled within six months. A spokesman for Bow Valley said that the concessions are the first to be awarded to a North American company.

Although some European companies have gained drilling rights in offshore Vietnam, the blocks are about 90 miles west of successful exploratory wells drilled by a group of U.S. companies before operations were suspended during the Vietnam war.

Bow Valley was technical operator for a group which initially was awarded blocks 01 and 02 in July 1973. Extensive preliminary work was completed and a four-well exploratory programme was scheduled to begin in July 1975, but the fall of the South Vietnam regime caused a suspension of operations. The Vietnam Government subsequently cancelled all previous offshore concessions.

AVCO FINANCIAL SERVICES LIMITED

INTERNATIONAL FINANCIAL AND COMPANY NEWS

AMERICAN NEWS

Keen marketing boosts Campbell Soup earnings

BY JOHN WYLES

NEW YORK, Sept. 13.

IMPROVED PRODUCTIVITY and a hefty marketing programme has helped Campbell Soup to a 12 per cent increase in net income in fiscal 1978 despite sluggish sales and rising food costs.

This is pretty much in line with what analysts were expecting and what the company was aiming for. As the largest domestic producer of soups, Campbell has won a reputation as a well-run company whose outlook has, however, been a little soured by an escalating legal and marketing battle with Heinz.

In 1976 Heinz filed an anti-trust suit alleging that Campbell was monopolising the canned soup industry and Campbell costs have so far run Campbell to an

expenditure of over \$15m. The New Jersey company has counter-sued, alleging that Heinz has been competing unfairly in the sale of ketchup to the food service industry. Campbell has taken the confrontation further by acquiring for \$34.5m Vlassic Foods, a leading pickle processor in competition with Heinz, and it is also starting to test market its own brand of ketchup with institutional customers.

In the fourth quarter ended July 31, Campbell's net income rose more than 13 per cent from \$24.3m to \$27.7m on an 8 per cent increase in sales from \$120.2m to \$128.5m. This boosted the company's net income for the year by 12 per cent, from \$108.3m or \$3.25 a share to \$121.4m or \$3.61 a share. Sales for the year were up 6.6 per cent from \$1.54bn to \$1.63bn.

Campbell is putting increasing emphasis on capital expenditure and new product introduction as a means of countering increasing raw material costs. In fiscal 1978, the company spent \$83m on new plant and equipment compared with \$80.3m the year before and it plans to spend \$100m in fiscal 1979.

Campbell's declared goal is to increase its net income at the rate of 10 per cent a year and acquisitions form a central part of its strategy. From a financial point of view it is extremely well positioned to bring other companies into its fold. On April 30 its cash and short term investments amounted to \$159.7m against a long term debt of only \$17m. On the basis of Campbell's end-year earnings, the shares at \$97 are on a p/e ratio of 10.4.

Zapata to merge Canadian operations

HOUSTON, Sept. 13.

ZAPATA CORPORATION said directors approved in principle a plan to amalgamate Granby Mining Corporation, Granisle Copper and Zapata Canada into a single Canadian company to be called Zapata Granby Corporation.

Completion of the transaction requires, among other things, acquisition of outstanding minority public interests in Granby and Granisle. Zapata said, Zapata Canada, which is wholly owned by Zapata, currently owns 95 per cent of Granby, and Granby owns 95 per cent of Granisle.

Proposed terms call for Granby and Granisle shareholders to receive 2.7 Zapata Granby Corporation preference shares for each Granby and 1.2 shares for each Granisle share.

Tyre company charged over tax returns

BY DAVID BUCHAN

WASHINGTON, Sept. 13.

THE Justice Department today filed charges against the Ohio-based tyre company, B. F. Goodrich, and its vice-president for administration, Mr. Thomas Blazey, alleging that the company falsified its tax returns on its 1971-73 tax returns amounting to \$68,000, which instead went into a political contribution fund.

The tax violation charges were brought, Justice Department officials say, partly because the statute of limitations had in this case run out for any prosecution under the law that makes it illegal for companies to give

and for politicians to receive corporate political contributions. Mr. Blazey faces a possible three prison sentences and \$5,000 fine for each of the three years during which the Justice Department claims Goodrich's returns were falsified.

He is charged with aiding and abetting the filing of false tax returns. As a result of Goodrich's action, the Department claims it underpaid its taxes by nearly \$30,000.

The Ohio company strongly rebutted charges today. A spokesman said, "We are accused of trying to evade \$28,497 in taxes during a period when the

company paid over \$25m of federal income taxes. It is absurd to believe a corporation of this size would attempt to evade such a small amount of taxes."

It is understood that a separate lawsuit would be necessary if the Government wanted to force the company to make good the alleged underpayments.

In general terms, although corporate political contributions were made illegal at the turn of this century, they were a fairly common American practice until 1973-4 Watergate and slush-fund scandals led the Government to start cracking down.

EUROBONDS

Prices in dollar sector strengthen

By Francis Ghiles

PRICES IN THE dollar sector of the market moved up again despite a weakening dollar growing expectation that the prime rate will be pushed 91 per cent before the we out. Many bonds gained quarter of a point, while put on as much as 1 of a in cases when dealers were of stock. The Hospital Co. of America bond was at put by lead manager Sal Brothers, with conditions, wise unchanged.

Sawna Bank is raising \$2 three-year floating rate notes of deposit. The issue, handled by Chemical Bank, national, will pay interest quarter of a point over inter rates.

A \$20 floating rate note being arranged for the Malaysian Development Bank Abu Dhabi Investment Co. The maturity of this issue is five years and the minimum coupon is 1 per cent interest rate is 1 per cent Libor.

In the D-Mark sector, held firm in fairly light turn. At its monthly meeting yesterday, the German Capital Markets Committee is believed to agree to a calendar of issues for the coming month around DM 900m. This marks a significant increase last month's DM 730m.

Holiday Inns breaks with Tak How

HONG KONG, Sept. 13. HOLIDAY INNS has broken negotiations with Tak Investment Company to be second hotel in Hong Kong both companies intend to ahead separately.

The U.S.-based chain broke the termination of talks or How's "indecisiveness" as other complications, while How cited potential "con with owners of the existing Hong Kong Holiday Inn."

The Holiday Inn group signed a "letter of intent" to build a 650-room hotel in Hong Kong's major area.

In addition, Amex Bank Hong Kong-based merchant was arranging a Hong dollar-denominated loan to \$250m for Tak. The loan was to be made on condition that Ho Inns guaranteed Tak's certain operating profit. The agreement, if the new level, Holiday Inns would owners' money to help payments on the credit.

Mr. Rudiger R. Koppert, vice president in charge of day Inns Asia/Pacific operated from the company's quarters in Memphis, Tenn. that the hotel chain had financial obligations as a r of its agreement with Tak because a formal management contract had not been signed AP-DJ

NYSE studies money market proposal

NEW YORK, Sept. 13.

THE New York Stock Exchange is giving "high priority" to a plan for trading money market instrument futures and could begin such trading by mid-1979, the Exchange said.

In response to an inquiry, the Exchange said it is "looking at a whole range of money-related instruments and currencies, including gold and silver."

NYSE officials are "seeking the advice and counsel of interested expert parties" and hope to present trading proposals to exchange directors by the end of the year.

The new venture would need approval of both NYSE directors and the commodities futures trading commission.

"If everything goes smoothly, trading could begin by mid-1979," the spokesman said.

Hongkong Banking

A misprint in yesterday's story on page 23 headlined "Hongkong and Shanghai seeks formal approval" caused the Bank's estimate of its assets at end 1981, after acquiring Marine Midland Bank, to be reported as "more than \$10bn." This should have read, "more than \$40bn."

20th Century-Fox is fined \$25,000

WASHINGTON, Sept. 13.

THE Twentieth Century-Fox Film Corporation has been fined \$25,000 after it admitted using the phenomenally popular Star Wars as a lever to force cinema owners to book other less profitable films.

A Federal Grand Jury charged the company with illegally requiring distributors to take less desirable films in order to get "Star Wars," the most lucrative picture in history.

Such "block booking" was forbidden by a 1951 Federal Court Order that still remains in effect against Twentieth Century-Fox and six other major film-makers.

Within hours of the charge the company pleaded no contest—the legal equivalent of guilty—to violating the ruling.

Judge Edmund Palmieri immediately imposed the fine and said the company would also have to pay the costs of the Grand Jury investigation and of the services of Justice Department lawyers, who worked on the case.

Although Judge Greene did not set a date for the matter to come to trial, the close of the discovery phase of a suit means in effect that the decks have been cleared and the case usually proceeds to trial soon after.

The Government's suit against AT and T—filed in 1974—charges the company with illegally monopolising telecommunications equipment and service in the U.S.

AT & T case procedure set

WASHINGTON, Sept. 13.

A U.S. District Judge, Harold Greene, has ordered both sides in the Government's anti-trust suit against American Telephone and Telegraph to complete the discovery phase of the case by April, 1980.

Another ruling by the judge will require AT & T to turn over to the Justice Department's anti-trust division copies of any documents the company provided to MCI and Litton Industries

during litigation involving those companies.

The anti-trust division has said that access to this material should have a quite significant effect on enabling the Government to prepare its case.

The ruling set up a procedural framework that will require the parties to submit statements of contention and proof in turn. This move is intended to eliminate the matters that are not in contention and to define the areas of dispute more clearly.

Reuter

Caricom insurance move sought

BY TONY COZIER

BRIDGETOWN, Sept. 13.

THE Insurance Association of the Caribbean, fighting to have the concept of regionalism legislated for Caribbean countries, has received strong support at its third annual conference here from the Prime Minister of Barbados, Mr. Tom Adams. But it remains concerned with the intention of Trinidad and Tobago to localise the industry there by next January 1.

Addressing the opening session of the Conference, Mr. Adams said his Government was committed to a regional insurance arrangement in which all companies regarded as local in their respective territories would be treated as local in any country of Caricom.

It also supported the "continued but well-supervised operation of at least the larger and more stable overseas life insurers alongside a vibrant developing local sector."

The Trinidad and Tobago legislation stipulates that all insurance companies operating in that twin-island State after January 1 must have at least 51 per cent local shareholding. This would effectively close down several regional companies now operating successfully there and, in the absence of a global agreement between Caricom Governments, attempts have been hurriedly made to finalise bilateral arrangements of a reciprocal nature.

The president of the Association, Mr. Cecil de Caires, said the Association would continue to influence "those in

authority" of the need for regionalism.

He described the next three months as extremely vital to the insurance industry in the area. It would determine whether there would be "the bleak future of a divided and fragmented industry or whether the bright one of a strong and viable one."

The concept of a regional industry was accepted by Caricom Finance Ministers as far back as 1975 when a working party was established to investigate the whole question in depth. However, there has been no recent meeting of the Ministers to endorse its findings and, in the meanwhile, Trinidad and Tobago, the most prosperous of the Caricom countries and the second largest in terms of population, has gone its own way.

Chrysler Mexico output record

BY WILLIAM CHISLETT

MEXICO CITY, Sept. 13.

CHRYSLER MEXICO stands out like a bright deed in a naughty world compared to most of the rest of Chrysler's operations. There is no question of a takeover of money to bail the company out, for it is going from strength to strength. As one Chrysler executive put it to the Financial Times: "If we were as successful elsewhere as we are here we would be in a very different situation."

For the 1978 model year, which has just ended, Chrysler had a record output. A total of 72,609 cars and lorries were sold in Mexico compared with 60,546 for the 1977 model year, a 20 per cent increase. The previous best was 63,273 in 1975 before the 1976 devaluation in which hit all companies in Mexico. Sales in 1976 and 1977 dropped but now Chrysler, like other car companies, has re-adjusted.

Chrysler now boasts a majority slice of the total vehicle market, taking over from its nearest rival Volkswagen. In the first seven months of this year, Chrysler's car and lorry sales were 43,908 compared with 35,358 in the same period last year whereas Volkswagen's figure in that period was 40,104, against 39,360 in 1977.

Chrysler's July sales of cars and lorries were 5,258 (5,174 in July 1977) and Volkswagen's were 4,626 (5,590 in July 1977). Chrysler now has about 21 to 22 per cent of the total market which is an impressive figure, given that it is competing with seven other companies in Mexico—Ford, General Motors, Vauxs, Renault, Dina, Nissan and Volkswagen.

At its car plant at Toluca, Chrysler produced its 300,000th car in July since the plant came into operation in 1968. Chrysler bought a controlling interest in Fabricas Automotrices in September 1972, and now has 97 per cent of the shareholding.

The company is starting to move into the export market, particularly the Middle East, where there is a demand for medium-duty lorries. Exports of the Dodge lorries more than doubled in the first seven months of this year compared to the period last year. Some 830 lorries were exported as against 413 last year. In July alone 128 lorries were exported compared with 24 in July 1977.

Volksvagen's figure in that period was 40,104, against 39,360 in 1977.

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Pemex in \$78m oil and gas deal

BY OUR OWN CORRESPONDENT

MEXICO CITY, Sept. 13.

PETROLEOS MEXICANOS at Freeport, Texas. Five thousand barrels of butane and propane gas will also go to the company. The total amount of ammonia will be 150,000 tons.

This latest sale by Pemex should mean that by the end of the year it will be exporting a total of 400,000 barrels a day to Phillips Petroleum and will refine it at their installations

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SELECTED EURODOLLAR BOND PRICES

MID-DAY INDICATIONS

Bid	Offer	Bid	Offer	Bid	Offer
1000 Australia 5 1/2% 1980	95 1/2	1000 Australia 5 1/2% 1980	95 1/2	1000 Australia 5 1/2% 1980	95 1/2
1000 Canada 5 1/2% 1980	95 1/2	1000 Canada 5 1/2% 1980	95 1/2	1000 Canada 5 1/2% 1980	95 1/2
1000 France 5 1/2% 1980	95 1/2	1000 France 5 1/2% 1980	95 1/2	1000 France 5 1/2% 1980	95 1/2
1000 Germany 5 1/2% 1980	95 1/2	1000 Germany 5 1/2% 1980	95 1/2	1000 Germany 5 1/2% 1980	95 1/2
1000 Italy 5 1/2% 1980	95 1/2	1000 Italy 5 1/2% 1980	95 1/2	1000 Italy 5 1/2% 1980	95 1/2
1000 Japan 5 1/2% 1980	95 1/2	1000 Japan 5 1/2% 1980	95 1/2	1000 Japan 5 1/2% 1980	95 1/2
1000 UK 5 1/2% 1980	95 1/2	1000 UK 5 1/2% 1980	95 1/2	1000 UK 5 1/2% 1980	95 1/2
1000 Switzerland 5 1/2% 1980	95 1/2	1000 Switzerland 5 1/2% 1980	95 1/2	1000 Switzerland 5 1/2% 1980	95 1/2
1000 Belgium 5 1/2% 1980	95 1/2	1000 Belgium 5 1/2% 1980	95 1/2	1000 Belgium 5 1/2% 1980	95 1/2
1000 Netherlands 5 1/2% 1980	95 1/2	1000 Netherlands 5 1/2% 1980	95 1/2	1000 Netherlands 5 1/2% 1980	95 1/2
1000 Luxembourg 5 1/2% 1980	95 1/2	1000 Luxembourg 5 1/2% 1980	95 1/2	1000 Luxembourg 5 1/2% 1980	95 1/2
1000 Spain 5 1/2% 1980	95 1/2	1000 Spain 5 1/2% 1980	95 1/2	1000 Spain 5 1/2% 1980	95 1/2
1000 Portugal 5 1/2% 1980	95 1/2	1000 Portugal 5 1/2% 1980	95 1/2	1000 Portugal 5 1/2% 1980	95 1/2
1000 Greece 5 1/2% 1980	95 1/2	1000 Greece 5 1/2% 1980	95 1/2	1000 Greece 5 1/2% 1980	95 1/2
1000 Ireland 5 1/2% 1980	95 1/2	1000 Ireland 5 1/2% 1980	95 1/2	1000 Ireland 5 1/2% 1980	95 1/2
1000 Austria 5 1/2% 1980	95 1/2	1000 Austria 5 1/2% 1980	95 1/2	1000 Austria 5 1/2% 1980	95 1/2
1000 Sweden 5 1/2% 1980	95 1/2	1000 Sweden 5 1/2% 1980	95 1/2	1000 Sweden 5 1/2% 1980	95 1/2
1000 Norway 5 1/2% 1980	95 1/2	1000 Norway 5 1/2% 1980	95 1/2	1000 Norway 5 1/2% 1980	95 1/2
1000 Denmark 5 1/2% 1980	95 1/2	1000 Denmark 5 1/2% 1980	95 1/2	1000 Denmark 5 1/2% 1980	95 1/2
1000 Finland 5 1/2% 1980	95 1/2	1000 Finland 5 1/2% 1980	95 1/2	1000 Finland 5 1/2% 1980	95 1/2
1000 Iceland 5 1/2% 1980	95 1/2	1000 Iceland 5 1/2% 1980	95 1/2	1000 Iceland 5 1/2% 1980	95 1/2
1000 Turkey 5 1/2% 1980	95 1/2	1000 Turkey 5 1/2% 1980	95 1/2	1000 Turkey 5 1/2% 1980	95 1/2
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1000 Turkey 5 1/2% 1980	95 1/2	1000 Turkey 5 1/2% 1980	95 1/2	1000 Turkey 5 1/2% 1980	95 1/2
1000 South Africa 5 1/2% 1980	95 1/2	1000 South Africa 5 1/2% 1980	95 1/2	1000 South Africa 5 1/2% 1980	95 1/2
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Source: White World Securities.

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

ST. LOUIS 11/17

Reduced fares boost for Lufthansa in first half

BY ADRIAN DICKS

BONN, Sept. 13.

LUFTHANSA, the West German national airline in which the government holds 74 per cent, has reported a 10 per cent increase in its reduced fares on the North Atlantic this summer, a move which has helped to boost profits in the first half of the 1978 business year.

However, the management also admitted that it had suffered a serious price competition with a serious rise in the cost of fuel and other operating expenses. Lufthansa's comment on its performance with cheaper North Atlantic fares coincides with a recent inter-governmental negotiations here on a

range of matters including fare levels and landing rights. The traditional German high fare policy is being severely tested both by the lower prices available from other European airlines and by the new price-cutting zeal in Washington.

Based on first-half results as a whole, Lufthansa is expected to achieve at least a balanced result for 1978, following its DM 35m profit for 1977.

This forecast reflects a general improvement in traffic during the second quarter of this year, following a drop during the first.

The airline's load factor for passengers fell by 3 per cent to 54 per cent during the first half, reflecting mainly the 8.4 per cent increase in capacity offered by its acquisition of seven more A-300 European aircraft and of other new types for long-haul routes.

Meanwhile, Reuter adds from Frankfurt that Deutsche Bank has announced the placing of the Schering AG shareholding which it took over from Mr. Hermann D. Krages last week.

The shares, which constitute around 12 per cent of Schering's basic capital, have been placed with institutional and private investors, the Bank said. The placement was made outside the Bourse.

Rumours of oil find send Montedison shares soaring

BY OUR OWN CORRESPONDENT

ROME, Sept. 13.

RUMOURS of a spectacular oil find off the coast of Sicily by Montedison sent the shares of Italy's biggest chemicals group soaring on the Milan Bourse today.

The shares rose by more than 38 per cent today, prompting an urgent request for clarification from the company on the part of the Bourse authorities.

The combined effect of these two developments has more than doubled the value of Montedison's shares in the space of a few weeks.

In the meantime, however, Montedison still needs to find a solution to its pressing industrial problems. The firm has put forward plans for the merger of its loss-making fibres activities with those of its subsidiary Sma.

Viscosi, and is now trying to enlist the support of a consortium of banks for the financial rescue of two plants it owns jointly with state chemicals firm ANIC in Sardinia.

These two plants, Fibre Del Tirso and Chimica Del Tirso, at Ottana in the centre of the island, have run up persistent losses.

The two partners plan now to set up a new company with banks to own the plants, leaving them then to ANIC and Montedison to run them.

Meanwhile, Basiglio, Montedison's principal declared private shareholder, is pursuing plans for its financial and industrial renaissance.

Following announcement over the weekend of terms for its merger with its Rome-based property subsidiary Beni Stabili, Basiglio is now understood to be negotiating the sale of its 15 per cent stake in SME.

A high quality oil find of this sort would be a welcome boost to Montedison whose shares have already received a strong push from reports of the prospective entry into the group of as yet unnamed Arab investors.

Montedison is expected to be ahead shortly with a long-awaited 24,000 from 24,600 in the period.

1,378m (about £235m) riches

BANK OF ENGLAND QUARTERLY

A mismatch of maturities

BY MARY CAMPBELL, EUROMARKETS EDITOR

THE EXTENT to which banks are borrowing short and lending long in their international business intensified sharply in the first half of this year, the latest data from the Bank of England show.

The data, published in the Bank of England's latest Quarterly Bulletin, give a breakdown of non-sterling deposits and loans by banks in the UK according to the date when they mature.

Because London accounts for a big minority of all international banking business and because the Bank of England is the only institution which has collected such data on a regular basis, the figures are the best guide available to international banking practices generally.

The data show that between last February and May, the extent to which banks were exposed to withdrawals of deposits in the short term increased while the extent to which they covered their long-term lending with deposits of similar maturity decreased.

The table shows this in the form of an increase in banks' net short-term deposits and in banks' net long-term lending.

To judge from the more detailed figures published in the Bulletin, the extent to which some banks are borrowing short and lending long has never been greater. By last May, banks had

which banks were exposed to deposit withdrawals in the short term increased sharply.

Even if one assumes that all holdings of certificates of deposit are immediately realisable assets, banks generally had under 80 per cent of their very short term deposits covered by assets which would reach maturity within the same time-frame.

The general picture of the Eurocurrency business of London banks suggests that the underlying growth of the market slowed down slightly in the second quarter of the year. Gross

East European countries were the major net takers of funds—they increased their net borrowing by \$1bn to \$8.3bn in the second quarter. The oil-exporting countries cut their net deposits in London by \$21bn to \$18bn—putting the fall in these countries' deposits at nearly \$5bn since they peaked at second quarter of the year. Gross

\$23.5bn a year ago.

MATURITY STRUCTURE OF UK BANKS' NET FOREIGN CURRENCY POSITION

Net liabilities at less than eight days rose by \$2 billion between mid-February and mid-May 1978

Net liabilities at less than eight days rose by \$2 billion between mid-February and mid-May 1978		
\$ billions	1978	
Net liabilities—/net assets +	mid-Feb	mid-May
Less than 8 days (a)	-13.0	-15.0
	-9.5	-11.5
8 days to less than 3 months	-18.5	-18.9
3 months to less than 1 year	-7.2	-7.3
Net borrowing up to 1 year	-28.7	-41.2
Net lending at 1 year and over	+28.8	+41.4
	+0.1	+0.2

(a) Figures in this table include all holdings of London dollar certificates of deposit, regardless of maturity, as there are immediately realisable assets for the banking banks.

Source: Bank of England Quarterly Bulletin, September 1978.

DSM profits drop sharply

BY MICHAEL VAN OS

AMSTERDAM, Sept. 13.

THE state-owned Dutch chemicals company, DSM, reported a sharp drop in its first-half net profit to 30.8m from 71.8m in the first half of 1977.

The Board expects profits in the second half to be down on the January-June figure.

It added in a short statement on Heerlen today that the expected profit decline was attributable primarily to falling prices in all product sectors.

In the exclusion of natural gas, DSM's first-half sales, however, were about unchanged, at total 3,338m against 3,358m in 1977, total sales amounted to 10.1bn against 9.8bn, while overall net profits were down to 110m against 132m.

According to the half-year statement, the January-June operating result was down to 30.8m against 71.8m.

This decrease, it was stated, mainly reflected the continuing rise of costs and larger depreciation charges following the coming on stream of new production facilities.

The company's gross income was down to 253.5m against 289.2m in the period.

The amount of interest paid was up to 21.3m against 15.7m, leaving a net income before taxation of 35.3m against 91.8m. After-tax income was down to 24.7m in the first-half of this year compared with 56.4m.

DSM's share in results of non-consolidated companies also fell in January-June, to reach 15.7m compared with 19.2m, while the share of minority interests in its income has risen to 9.8m against 6.5m.

The chemical giant's capital expenditure was down very noticeably in the first half, to 432.4m, compared with 630.5m in the same period of 1977.

Total staff was down to 32,500 at the end of June, from 32,800 in June, 1977. The staff employed in Holland was down to 24,000 from 24,600 in the period.

1,378m (about £235m) riches

Amsterdam shipyards face strike threats

BY OUR OWN CORRESPONDENT

AMSTERDAM, Sept. 13.

TWO largest shipbuilding and repair yards in the Port of Amsterdam are faced with strike action.

This follows the decision by a board of the Amsterdam Drydock Company (ADM), a major ship repairer to pull out of merger talks with the NDSM.

NDSM's parent company, RSV, has already said it wants to use down NDSM.

The commission drawn up to give the way for a rationalisation of Amsterdam's ailing shipbuilding and repair sector, which has been hit by recession even under the yards in Rotterdam, has turned to the Government for action to get the merger talks going again.

ADM and NDSM employ a total of 4,000 people in the Port of Amsterdam.

ADM, a public company, is thought to be resisting any dominance by the RSV company NDSM.

Although still financially by no means strong, it has already completed some reorganisations. For NDSM, the outlook is much bleaker. It has a small repair sector, in which ADM is interested, but a large construction sector (mainly for tankers).

However, the RSV parent company, itself in deep troubles as a result of a lack of new orders, has been unable to push any recently.

In addition, the central staff in Rotterdam, wants NDSM to be closed down to protect its own local employment.

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DOMESTIC CAPITAL BONDS

Reduced Swiss calendar

BY JOHN WICKS

ZURICH, Sept. 13.

THE SWISS capital market bond programme for the fourth quarter has been approved in principle by the country's Issues Control Commission, and foresees the raising of SwFr 1.4bn new money. This sum is about 10 per cent of the total raised in the corresponding period of 1977.

The total value of conversions and repayments of outstanding bonds is set at SwFr 1.1bn for the quarter, SwFr 700m more for the final quarter of last year.

The City of Zurich, which had been expected to float a new bond issue at a 3 per cent coupon, has announced that the 1978 issue of SwFr 60m of bonds will carry an interest rate of 3 1/2 per cent.

A share of SwFr 2m of the float has already been placed by issuing banks, and the remaining SwFr 58m will be offered at 101 per cent from September 18 to 22 by a consortium headed by Credit Suisse.

Olivetti has obtained two medium term loans for a total of L50bn from two groups of Italian banks. One is a five year loan of L30bn at prime rate subject to revision in line with the rate's movements every three months, and the other is for L60bn over seven years. The interest rate was not disclosed. Agencies report from Ivrea.

The SwFr 100m 3.5 per cent 12-year bond floated by Oerlikon-Buehler Holding at 101 per cent at the anticipated return of the heavily oversubscribed standard triple-A interest rate to Union Bank of Switzerland, the low level of 3 per cent obtained earlier this year will be announced, Reuter reports.

CIBA-Geigy setback

BY OUR OWN CORRESPONDENT

ZURICH, Sept. 13.

ECLINES in profit by the chemical company CIBA-Geigy AG due to the increase in the Swiss Franc exchange rate will probably be "tolerable" for 1978 as a whole. Mr. Alexander Krauer, company director, stated in the Basle parent company's annual report.

This had been the case in the first half of the year, Mr. Krauer said, drawing attention to the offsetting of income losses by savings on costs.

CIBA-Geigy was successful, according to Mr. Krauer, in compensating at least in part for exchange-rate losses by operative improvements.

These included a raising of turnover in terms of local currencies and measures for operational rationalisation and increased efficiency.

The CIBA-Geigy concern—whose group turnover in Swiss franc terms fell by 12 per cent in the first half due to the monetary situation—has also gained by the rise in the Swiss franc with regard to foreign investments.

The Basle company's 1978 investments should, Mr. Krauer claims, become cheaper by some SwFr 100m as a result.

Mr. Krauer, who said the importance of the exchange-rate development should be neither dramatised nor played down, stressed that efforts to improve operating budgets would not be allowed to slacken. Without these improvements, the company would be in a very critical position.

Breweries co-operate

BRUSSELS, Sept. 13.

BRASSERIES Artois Group and Group Wielemans, two Belgian breweries, have signed a co-operation pact under which Artois, the country's largest brewing company, will acquire an interest in Wielemans, a joint statement said today.

The size of Artois's interest in Wielemans was not given but the statement stressed that Wielemans, with annual output of about 500,000 hectoliters of beer and 150,000 hectoliters of soft drinks, would continue to

market products under old brand names. Artois has an annual group output of seven million hectoliters of beer and one million hectoliters of soft drinks, wines and spirits.

Production lines of both companies are complementary, allowing a greater degree of rationalisation and the co-operation would offer great possibilities of expansion, the statement said. AP-DJ

We're welcoming a Billionaire.

Estimated 1978 Annualized Sales

3 Billion Dollars

2 Billion Dollars

1 Billion Dollars



With over a billion dollars in sales, Pet Incorporated makes quite an addition to our IC Industries family. Together we'll surpass \$3 billion in annualized sales this year.

And this year marks IC Industries 10th year of diversification. Just 10 years ago we were a \$300 million regional railroad. So what better way could we top off a decade of diversification than by welcoming Pet to our family of companies?

We're welcoming much more than a famous can of evaporated milk, too. The four Pet business groups are a part of virtually every facet of the nation's food system.

From the Milk and Dairy Products Group, Pet supplies fresh milk, evaporated and powdered milk, ice cream, fresh dairy specialties and Sego diet foods.

Pet's Convenience and Specialty Foods Group consists of Pet-Ritz and Downyflake frozen foods, Funsten nuts, Laura Scudder's snack foods and Whitman's Chocolates. It's also Old El Paso Mexican foods, Musselman's apple products, Heartland cereals, Gulf Belle shrimp and Reese specialty products.

Pet's Store Environments and Distribution Services Group supplies the retail food business with Hussmann's freezer and refrigerated display cases and also Merchants refrigerated warehouses.

And Pet's Specialty Retailing Group includes Vendome and 9-0-5 party centers, Stuckey's highway stores and Mr. Panel home improvement centers.

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THE ACOMINAS COMPLEX IN MINAS GERAIS

ON A high plateau in the interior of Minas Gerais, Brazil's fastest-growing state and an area rich in iron ore, the first structures of the new Acominas steel works are rising slowly from the red earth.

When completed, in 1980, Acominas will be the largest steel works in Brazil and, indeed, Latin America. It will cover an area of 10m square metres with an initial capacity of 2m tonnes a year from four blast furnaces.

Not only is a complete steel works being built from scratch, but also a new town, which will eventually house 180,000 people, on the site of the old, crumbling rural hamlet of Ouro Branco.

The magnitude of the undertaking is reflected in the size of the investment required.

The total cost, covering construction, equipment, pollution control, town building, provision of a new dam to ensure water supplies and access roads, comes to \$3,455m.

Forty per cent of this sum, or \$1,382m, is covered by shares—60 per cent (\$828m) belong to the Brazilian steel agency Siderbras, 20 per cent to the state of Minas Gerais and the remaining 20 per cent is now being subscribed by various shareholders, including Acominas' major suppliers both Brazilian and foreign.

The remainder of the cost—60 per cent, or \$2,073m, is being raised from national and international sources.

The foreign contribution—mainly British, French and German—is of paramount importance, both in equipment and financing.

The foreign financing is two-fold—a \$505m Eurodollar loan from a consortium led by Morgan Grenfell to cover

Brazil's \$3½bn bid to achieve self-sufficiency in steel-making

building and equipment assembly and \$617m in credits tied to purchases of equipment, especially from the U.K., France and Germany.

Brazil's principal financial contribution comes from the National Development Bank's special industrial financing agency, Finaim, and amounts to \$647m. Other state agencies, including the Housing Bank, Project Financing Agency and Department of Sanitation, have contributed \$304m.

Total fixed investment is divided into \$2,426m for the plant and its infrastructure, \$269m for design and management, \$215m for interest paid during building time and, finally, \$179m for building the new town.

Excluding the cost of the new town, projected cost per tonne of steel works out at \$1,457 allowing for inflation (\$1,200 at constant prices), including the new town, \$1,546 per tonne, and including circulating capital and pre-operational expenses, \$1,727 per tonne—a figure which the Acominas management states is average for a new steel works of this magnitude.

The designs were provided by the country's most efficient steel concern, Usiminas (a Brazilian-Japanese venture), and Usiminas' technical director, Sr. Moacelo Mendes, is now president of Acominas.

The main two structures now visible, the beginnings of the blast furnace and the coke oven, are being supplied by Davy Ashmore and Woodall-Duckham



Early stages of construction at the Acominas complex

is equipping the steel unit itself, while other Brazilian companies equip the gasometers and cauldrons (CBC—a Brazilian associate of Mitsubishi).

BY DIANA SMITH IN RIO DE JANEIRO

of the UK under Acominas' financial agreement with Morgan Grenfell.

The shell of the blast furnace has now reached some 25 metres in height. When complete, the unit will be 100 metres high, dominating the lonely plateau.

Davy, through its offshoot Davy Leewards, is also equipping the coke rolling mill, while Secim of France will supply the plate and block rolling mill and Schleman-Alstom of Germany and France the heavy and medium sections mills.

Unimac, the heavy equipment sector of Usiminas,

sinterizer (Cobrasma), reheating ovens (Montec) and water-recording systems (Filsan).

Acominas' output is destined for the domestic construction market and, in the initial stages at least, will not be for export.

After start-up, scheduled for 1980, Acominas' output replacing imports of rolled steel products should provide foreign exchange savings of \$12bn by 1983—and the domestic market should be fully supplied from Acominas.

It has taken nearly 50 years to bring Acominas from a dream

The idea of a giant steel works in Minas Gerais was conceived when Brazil first embarked on plans for a national steel industry in the 1920s—but it was only in 1973 that the central government and the Minas Gerais authorities took the plunge and decided to push the project through at full speed. This speed has been maintained and all plans are on schedule—an occurrence not necessarily common in Brazil.

Ninety-five per cent of equipment has been contracted—just three years after the decision was made to prepare a feasibility study. Sixty-five per cent of the infrastructure work is complete on what until recently was no more than a vast, cleared area over 100 km south-west of the state capital of Minas Gerais, Belo Horizonte. Acominas is now beginning to look like an industrial complex.

Giant cranes are at work around the blast furnace shell; the new administration building is an ultra-modern, low-lying construction of glass and red concrete, merging into the redness of the soil; the new town already has its beginnings in a neat, sun-baked residential area of whitewashed houses with red tiled roofs, being erected in assorted sizes for various categories of future workers on land acquired in some cases at less than 1 cent per square metre.

The complex provides a vivid reminder that Brazil now is an ambitious nation which thinks in terms of investments of billions of dollars, and which is prepared to accept the risks entailed in building such a mammoth steel works literally in the middle of nowhere, and in an era of world recession in the steel industry. To go out and drum up such large-scale foreign resources and persuade foreign heavy equipment manufacturers that Brazil's nightmarish bureaucracy can be overcome, and that Brazil's former history of foot-dragging on their major projects is over, is an act

of powerful self-confidence. The project involves a sizeable measures to avoid pollution and dust, and the rounding hills are to be forested. Together, pollution control and environment protection involve 20 per cent of total investment.

This, for Brazil—a country which only began to wake to pollution problems once highly-industrialised state Sao Paulo began to choke own industrial waste—is a departure.

Acominas, in time, become the centre of a industrial complex and, proclaims, of social development—providing directly jobs. And the Acominas estimates that each Acor job will generate another five other industries in the service industries.

Estimated sales of \$1.1bn per annum should the state of Minas Gerais be a year in merchandise tax in industrial product tax. The future inhabitants of a new town of Ouro Preto have their own hospital, school, supermarket, recreation facilities—thus, that workers will be able to a life style they cannot in the slums of the huge, where, in the past, they flocked to find jobs.

Projected earnings of \$400 a month and a new simple, house in uncrowded districts, should serve to them better off than their major projects is over, is an act Paulo or Rio counterparts.

Mr. J. M. Carpenter, deputy chairman of CARPETS INTERNATIONAL, is to become chairman from January 1, 1979. He will succeed Mr. Roger Wake, who is retiring from that position at the end of this year.

In 1946, Mr. Carpenter joined the Carpet Manufacturing Company, now a subsidiary of Carpets International. He moved on to the Board of CMC in 1950, became managing director in 1971 and then chairman of that company in July, 1976.

Mr. Carpenter has been deputy chairman of Carpets International since March, 1977. He has also served for ten years on the president's committee of the British Carpet Manufacturers Association (formerly the Federation of British Carpet Manufacturers).

Mr. Wake took over the chairmanship of Carpets International in August, 1976, following the death of Mr. Peter Anderson.

Mr. Tom Boardman, deputy chairman of the STEETLEY COMPANY, has been appointed chairman. He replaces Mr. Harry Smith who has retired from that post because of pressure of other commitments. Mr. Smith remains on the Board.

Mr. Boardman was appointed a non-executive director of Steetley in 1973. At that time he was vice-chairman of Allied Breweries. Currently president of the Association of British Chambers of Commerce, he is a member of the Council of the CBI.

A Tory MP for seven years, Mr. Boardman served as Minister for Industry and Chief Secretary to the Treasury in the last Conservative Government.

Mr. James E. Sweeney has been elected managing director of E. F. HUTTON AND COMPANY (LONDON).

Following the retirement of Mr. G. A. Teichmann, LLOYD'S REGISTER OF SHIPPING has appointed Mr. R. E. A. Goss, to the senior principal surveyor for Belgium, has now taken over those duties.

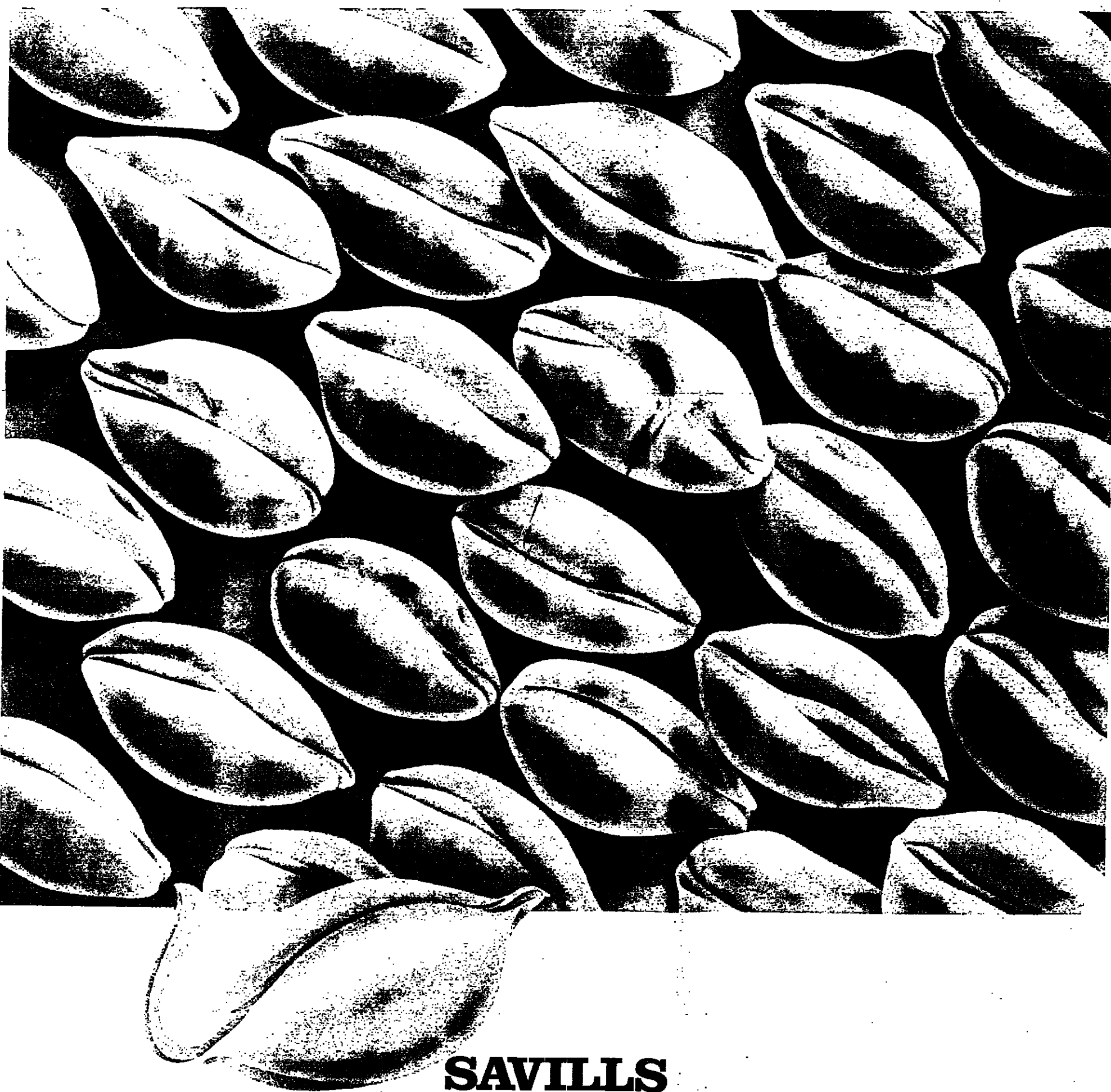
Miss E. E. Parke, assistant secretary, special duties, at present Lloyd's Register liaison officer with the Westminster Parliament, has been appointed HQ liaison officer with Mr. Goss and will be responsible for contact with the European Parliament as well as Westminster.

Mr. R. P. Shepherd has been appointed to the main Board of PENTLAND INDUSTRIES. Mr. Shepherd founded Priestley Footwear in 1956. He is managing director of that company and is a director of Liverpool Shoe Company, Wesco Bond, and Dines Shoes.

Mr. C. Bower, Mr. A. G. May and



That Brazil should go out and drum up such large-scale foreign resources... is an act of powerful self-confidence



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INTERNATIONAL FINANCIAL AND COMPANY NEWS

MALAYSIAN PLANTATIONS

Stricken by drought

BY WONG SULONG IN KUALA LUMPUR

A HALF-YEAR results from Malaysian plantation companies have shown the impact of the drought on their output, and the most severe hit are oil palm estates, in some of them reporting a decline of as much as 50 per cent. Seasoned investors agree that the drought is the most severe that they have seen in the industry.

Oil palm has been particularly affected because the tree is a bearing tree and requires fairly uniform rainfall. The drought in early 1978 and 1977 destroyed many female flowers on the palm, resulting in lower output and hence a sharp decline in fruit per bunch this year.

With output slashed, one might expect oil palm growers to seek some consolation in a sharp rise in rubber prices. But this was not the case. Because of an abundance of rubber in the world market, palm oil prices during the year were, in fact, lower than last year.

Rubber estates fared better. As rubber is a fruit crop, the drought has had less impact on production and rubber prices generally have remained firm. Among the larger plantation firms, Dunlop Estates Berhad, with 55,400 acres under rubber, oil palm and coconut, has been the worst hit. In its interim report, it disclosed that oil palm crop fell by 44 per cent, even though the harvest increase rose by some 10 per cent.

The group also obtained only 88 ringgits per tonne for its oil, an 11 per cent reduction. Overall, Dunlop Estates after profits for the first half fell 42.5 per cent to 5.7m ringgits. The interim dividend was cut from 10 to 8 per cent.

An important reason why profits were down by 25.5 per cent to 16.3m ringgits, was a sharp decline in the price of oil palm. The drought has also created havoc among the work patterns in Malaysia's estates. Oil palm production now appears to have developed a cyclical pattern—sharp fluctuations in output—and this is creating difficulties in organising harvesting and processing of the fruits.

One group experienced a profit decline rate of 22,000 tonnes of oil palm output fell by 40 per cent from 21,132 tonnes (fresh fruit bunches) to 12,551 tonnes.

Guthrie Berhad, the major Malaysian plantation group, has suffered a reverse with half-year profits tumbling 52 per cent to 3.95m ringgits (US\$ 1.7m) on turnover down by 20 per cent to 16.6m ringgits. Like other plantations, it blames the drought and generally low commodity prices. But it is maintaining its interim dividend at 5 per cent.

Its rubber fell by 6 per cent, and interestingly enough rain, which affected tapping, rather than the drought, was blamed for this shortfall.

Half-year profits after tax of Malakoff fell from 2m to 1.5m ringgits.

Earlier, a Malakoff director had estimated its 1978 oil crop to be 46,000 tonnes (FFB), but with less than 12,000 tonnes for the first half, this forecast appears to be off-target.

The Danish-owned group, United Plantations (37,000 acres), which is largely dependent on oil palm, although it has a good spread of coconut and rubber, has reported that its palm oil output for the first six months was 15,348 tonnes, an 18 per cent reduction.

Its coconut crop, at 520,000 kg, was 10 per cent lower. United Plantations has not released its interim results, but profits are expected to be

Haw Par first half in the red

By Our Financial Staff

AW PAR Brothers International sustained a net loss of 975,000 (US\$453,000) for the months to June 30 last. In some periods of 1977 it posted a \$2.74m profit. Turnover was \$869.74m, up from \$559.78m previously. At the pre-tax level, the picture looks better. Excluding some business, pre-tax profits were \$54.15m against \$52.75m. The marine loss is stated at 2.64m compared with a previous deficit of \$31.59m.

Three months ago, Haw Par said it would continue to operate at a loss. Although the first months of the year would be or as a result of marine division losses, it said, there would be a pick-up later as those losses were reduced and other divisions improved.

Sealion aims at stock exchange

By H. F. Lee

SINGAPORE, Sept. 13. SEALION Hotels, owner of the 30-room Singapore Hyatt Hotel, believed to be planning to take a public offer of 7m of its shares and seek a listing on the Stock Exchange of Singapore.

Of the 7m \$31 nominal value shares, market sources believe that 5m shares will come from existing shareholders while 2m will be newly-created shares.

Sealion, which has issued capital of \$5.2m, is owned 60 per cent by the Ayala Group of the Philippines through its Hong Kong incorporated company, Ayala Nominees, and 40 per cent by Oliver Trading of Hong Kong.

Ayala and Oliver purchased the hotel for \$5.4m in June 1977, from a Hong Kong associate of the well-known Singapore property developer, Yat Kee.

The 7m shares are expected to be pegged at \$5.15 per share. The hotel is currently managed by Hyatt of Singapore, a subsidiary of the American hotel chain.

Sealion last year reported pre-tax earnings of \$3.18m and after-tax profit of \$3.03m.

Cheung Kong in land deal

BY RON RICHARDSON

HONG KONG, Sept. 13.

FAST-GROWING property developer Cheung Kong (Holdings), with its coffers swollen by an estimated HK\$100m (US\$21m) plus capital profit from its recent stockmarket operations in Hong Kong and Kowloon Wharf and Godown, is joint owner of a company which today paid HK\$345m (US\$73m) for a block of commercial land in Kowloon.

Canadian Eastern Finance, which is owned jointly by Cheung Kong and Canadian Imperial Bank of Commerce, purchased a 75 per cent stake in the 47,381 sq ft block in Tsimshatsui East. The other partner in the transaction has not been revealed.

The purchase price, which is equivalent to HK\$7.28 a sq ft, is well below the HK\$13.72 paid last month for a slightly smaller block at the edge of Hong Kong Island's central district by a syndicate of Fokienese entrepreneurs. The value of the Hong Kong Island site was enhanced by its position adjacent to the main island station of the mass transit railway, now under construction.

In a further land sale today an unlisted developer, Moon Yik, paid HK\$416m for a 65,250 sq ft site on reclaimed land in the Wanchai district.

Canon expects 22% cut in growth

BY DONALD MACLEAN

AMSTERDAM, Sept. 13

CANON, the Japanese camera and business machine concern, expects the rise in the value of the yen to cut its growth in the year ending December to around 8 per cent in terms of net profits and sales. Levels in 1977 were around 30 per cent.

But for the year's appreciation, the company would have expected to maintain the previous year's growth rate. Mr. Ryuzaburo Kaku, the president, said here today.

Canon—which sells from 70 per cent of its products abroad—increased its consolidated net profits in 1977 by 33 per cent to ¥9,330m (sales by 27 per cent to ¥194.4bn (US\$1.03bn)).

It is now looking for net profits in 1978 of some ¥9bn (about \$45m) and sales of ¥210bn (US\$1.1bn).

Although over half of Canon's sales in 1977 were accounted for by cameras and copiers (20 per cent of sales in 1977) and electronic calculators (15 per cent),

It expects that the growth in the business equipment field will run ahead of that in cameras to the extent that business equipment sales will overtake camera sales in about two years.

The 5 per cent profit growth projected for 1978 is faster than the 5 per cent in parent company profits for the first half of the year. The company expects, however, relatively strong results from its subsidiaries.

Consolidated figures for the first half are due early next month.

AUSTRALIAN NEWS

Pressures on bank charges

BY JAMES FORTH

SYDNEY, Sept. 13.

A FUNDAMENTAL change in the structure of bank fees and charges is steadily being forced upon Australian banks, according to one of the major trading banks, the Commercial Banking Company of Sydney. The managing director, Mr. V. E. J. Martin, said in the annual report that the bank's money services had been subsidised from the margin between interest received on deposits and interest paid on loans. But depositors were being subsidised by the bank's interest-free deposits with the bank. But depositors were being subsidised by the bank's interest-free deposits with the bank.

Referring to the recently introduced 1978-79 budget, Mr. Martin said the result was likely to be a growth in money supply of less than the 8 per cent recorded in the previous year. If bank deposits were held to a smaller increase than 1978-77, the capacity of the banks to increase outstanding loans would be severely restricted. The previous year's expansion was made possible largely by the release of "frozen" funds from the banks' statutory reserve deposits.

These balances had been reduced to such a level that little scope remained for releases in the current year and the banks face a year in which house sheet growth would be strictly limited. In an apparent reference to persistent rumours that the CBC might receive a takeover bid, Mr. Martin said one aim is to remain an independent financial group, offering a profitable investment to shareholders, efficient service to customers and satisfying careers to staff.

RMC earnings upswing

BY OUR OWN CORRESPONDENT

SYDNEY, Sept. 13.

THE CONCRETE and quarrying group, Ready Mixed Concrete, increased earnings by 28 per cent from A\$8.3m to A\$10.6m in the year to June 30, but the result was mainly due to a drop in tax from A\$5m to A\$2.7m. Reflecting investment allowances. Sales for the period increased less than 10 per cent to A\$195m.

The directors said RMC had taken full advantage of investment allowances spending on upgrading quarrying both locally and in the UK with its Clay Cross subsidiary. The capital expenditure would enable RMC, which is owned equally by CSR and Blue Metal Industries, in better meet future demand.

In another development by a concrete and quarrying group, Apex,

Pioneer Concrete Services has bid A\$7.3m cash for the Victorian group Apex Quarries. Pioneer has already arranged to buy the 40 per cent holding in the company from the Gail family for A\$2.65 a share and will extend this price to all shareholders. The offer compares with the stated net asset backing of A\$1.65 and the pre-offer sharemarket price of A\$2.00.

When Apex first foreshadowed a possible bid in mid-August, shares were selling at A\$1.40. Pioneer has obtained an agreement from the Gail family that they will not set up in the quarrying, concrete and asphalt industries in Australia for a period of five years but will continue to act as consultants to concrete and quarrying group, Apex.

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Weekly net asset value on September 11th, 1978

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Tokyo Pacific Holdings (Seaboard) N.V. U.S. \$50.99

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Information: Fleiter, Harding & Pearson N.V., Heijensgracht 214, Amsterdam

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HFL Bonds & Notes	102.00	102.90	HFL Bonds & Notes	7.786	7.811
U.S. & Swiss Bonds	94.98	95.94	U.S. & Swiss Bonds	8.943	8.935
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SAINT-GOBAIN-PONT-A-MOUSSON

1978 News Bulletin No 8

A rights issue of 4,950,000 new shares

The Board of Directors of Saint-Gobain-Pont-a-Mousson have decided that the share capital of the Group's parent company should be increased by FF485,000,000, from FF2,970,000,000 to FF3,455,000,000 by the issue of 4,950,000 new shares of nominal value FF100, to be subscribed for in cash at a price of FF120. Subscriptions for the new share will be accepted from now until October 13, 1978 inclusive.

It is the first time since the merger of Saint-Gobain and Pont-a-Mousson in 1970 that the Group has gone directly to the market to obtain equity capital. The rights issue represents additional financial resources in the amount of FF594 million for the Group. These funds will be used to consolidate the Group's present financial and technological position and prepare the way for its continuing development in new directions.

Since 1970, Saint-Gobain-Pont-a-Mousson has grown from 105th to 51st place among the largest manufacturing concerns in the world, with sales of FF31,829 million in 1977. For the first six months of 1978 the Group's net consolidated sales rose by 7% to FF17,071 million. In fact, over the past five years, the Group's sales as well as its cash flow have doubled.

The Group has also become far more international in character by consolidating and extending its long-standing industrial operations in Europe and Latin America and by acquiring a firm position in the United States, through CertainTeed Corporation. In 1977, the French domestic market accounted for 39% of the Group's net consolidated sales, while Germany contributed 13% and the United States a further 13% of sales.

The Group has also changed in terms of its products and technology. It has completely converted its European flat glass manufacturing facilities to the float process and is now the largest manufacturer of float glass for the motor and building industries in Europe, if not the world. It has reinforced its position as the world's leading manufacturer of pipe products in all materials, from ductile cast iron to PVC and reinforced plastics. And the Group has also become a leader in fibre technology. Saint-Gobain-Pont-a-Mousson is now the world's foremost manufacturer of fibre glass insulation, thanks to its universally recognized Tel process, and expects to consolidate its technological leadership with the Tor process, now being used industrially.

In spite of the Group's considerable growth, total capital expenditure over the past five years, including new plant and equipment and new investments, has been entirely financed by cash flow (resources provided by operations) and the proceeds from the disposal of assets. But the time has now come for the Group to improve its capital base, and thus better prepare for its further development into the 1980's.

The Group has also had a positive dividend policy. Over the past five years, the dividend has been increased from year to year with but one exception, in the crisis year of 1975. In addition, the parent company's anticipated net income for 1978 and the retained earnings at December 31, 1977, should permit the payment of dividends per share in 1979, i.e., on the increased share capital, at least comparable to those paid in 1978 of FF14.55, including a tax credit for those entitled to it of FF4.85.

A prospectus providing further details on this rights issue is now available in the United Kingdom from the subscription agents—

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For further information, write to: The Director of External Relations,
Compagnie de Saint-Gobain-Pont-a-Mousson, 54 Avenue Hoche, 75365 Paris, Cedex 08.

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The Chairman, Box G.2552, Financial Times
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Business engaged in the servicing, leisure or DIY field required by medium sized Public Company. Sound management must be agreeable to continue for at least a reasonable time. Replies to include latest balance sheet and be addressed, in confidence, to:

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STOCK EXCHANGE REPORT

Equities surge on and Gilts follow in their wake
30-share index up 7.9 at day's highest of 534.3

Account Dealing Dates

Option
*First Declara- Last Account
Dealings Dealing Date
Sep. 4 Sep. 15 Sep. 25
Sep. 11 Sep. 22 Sep. 30
Oct. 2 Oct. 12 Oct. 24

**New time deals may take place
from 9.30 a.m. on business days earlier.

The sharp advance in equity markets since Mr. Callaghan's decision not to hold an autumn election continued yesterday. Fresh, encouraging news on economic policy such as the Price Commission's Index and the provisional estimates for industrial production, stimulated further interest. Optimism ahead of today's announcement of the August trade figures and money supply statistics, which in turn encouraged hopes of a reduction in Minimum Lending rate, also boosted sentiment, particularly in British Funds.

Demand for the leaders was again fairly modest, but with stock in the short supply, orders were quick to respond and the FT 30-share index pushed ahead further to close at the day's best with a rise of 7.9 at 534.3. Noteworthy movements among the leaders included, Turner and Newall, up 10 at 180p, on better-than-expected half-yearly results, and UDS, 4 higher at 111p in response to the good interim statement. Excluding these two constituents, the rise in the index would have been reduced by 1.6.

Gains were again fairly widespread in secondary issues and rises led falls by 5.2. In the equities, the FT-Actuaries All-Share index improved 0.7 per cent more to an all-time peak of 241.23.

British Funds took a noticeable turn for the better, a rise, however, occurred during a low volume of business. The Long Bond Exchequer 12 per cent 1989-92 (33p) closed 1/2 higher at 33 1/2, which was the Government and brokers' last operative level, with other gains in this area extended to 1. Rises in the shorts ranged to 1, and sometimes more, while the Government Securities index improved 0.22 to 70.72.

Headed by another heavy business in ICI, in which 471 contracts were done, dealings in the Traded Option market reached record levels again. For the fourth successive day, 1,000 deals were transacted with yesterday's figure being the highest yet at 1,280.

Revived investment demand

gave Ernest Jones (Jewellers) a boost, bringing a close of 13 higher at 189p.

Bank of Ireland up

Irish issues came to the fore in the banking sector. Persistent buying in a thin market prompted an advance of 32 to 448p in Bank of Ireland and the 10 per cent Convertible jumped 7 points to 220. Allied Irish improved 5 to 227p in sympathy. Home Banks, however, moved negatively in this trading to close mixed. Lloyds hardened a penny to 273p but Midland edged 2 to 365p. Elsewhere, Fraser Anshar rose 1 1/2 to 12 1/2p on further consideration of the M and G Recovery Fund increased shareholding.

Insurances continued to be over-hadged by Tuesday's dividend appointing interim results from Willis Faber and closed easier for choice. WF cheapened 3 more to

stake in the company in an attempt to block the Comben offer.

ICI made steady progress and touched a high for the year of 220p before a close of 438p for a net gain of 4. Awaiting today's interim results, Croda Inter-continental put on 1 1/2 to 62p.

UDS please

Interim profits more than doubled and an encouraging statement about second-half prospects helped UDS put on 4 to a 1978 peak of 111p in firm Stores. GKN moved forward 6 to 282p ahead of tomorrow's interim results and Vickers, at 211p, retrieved the previous day's fall of 4.

A good business was transacted in the Food sector and prices closed at or near the last. British Sugar rose 3 to a 1978 peak of 147p for a two-day improvement of 14, while Tate and Lyle, 122p, and Associated Dairies, 262p, put on 4 apiece. Baxters of York hardened 2 to 66p as did Fitch Lovell to 67p, but Danish Bacon A, lost 3 more to 110p on further consideration of the interim figures. Fildes put up 1/2 to 67p, but Danish Bacon A, lost 3 more to 110p on further consideration of the interim figures. Fildes put up 1/2 to 67p, but Danish Bacon A, lost 3 more to 110p on further consideration of the interim figures.

Turner & Newall rise

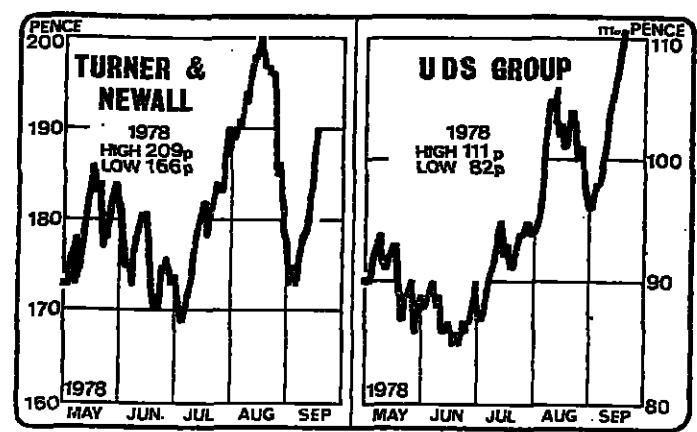
A laggard of late while other miscellaneous industrial leaders surged forward to new peak levels for the year, Turner and Newall revived yesterday, rising 10p to 180p after better-than-expected interim profits. Elsewhere, Glava moved up 6 more to 843p as did Bial Bux to 382p. Sharply higher first-half earnings and projected 100 per cent scrip issue left Sale Tiney up 17 to 232p, while Smiths Industries gained 11 to 220p on revived investment demand. Westobell, on the other hand, fell 11 to 182p following disappointing half-yearly results, while Steetley dipped 5 to 205p on lower interim earnings and the accompanying bearish remarks about second-half prospects. The first-half loss from Thomas Tilling failed to match recent optimistic forecasts and the close was 3 lower at 143p after 141p.

Motors and Distributors had a firmer inclination following the lifting of the BL Cars' (tomorrow) strike threat. Lookers were traded up to 76p before closing a net 3 better at 72p, while similar rises were seen in Lucas Industries, 523p, and Flight Refuelling, 181p. Renewed support lifted Kwik-Fit 2 to 341p, but Dutton-Pearshaw were a shade easier at 33p in front of today's interim report.

helped Midland Educational advance 15 more to 170p for a two-day gain of 50. Home Churn hardened 3 to 205p in front of today's interim figures, while MFI rose 4 to 130p on interest ahead of preliminary results, due shortly. By way of contrast, Dismos Photographic dipped 6 to 142p, after 145p, following the chairman's cautious remarks at the annual meeting.

Plessey moved further ahead in the late trade to close 7 better at 125p, on renewed talk of an imminent bid from Rael Electronics; the latter finished 4 harder at 302p. Gains of 3 were seen in GEC, 331p, and A.B. Electronics, 125p, while Thorne Electrical rose 7 further to 399p. In a restricted market, Farnell Electronics improved 17 to a 1978 peak of 400p.

Secondary issues provided the features in Engineering. London and Midland Inds jumped 13 to 115p in response to the proposed dividend-hoisting rights issue, while Babcock and Wilcox Developments eased fractionally gained 9 to 146p following highly satisfactory interim results and the accompanying encouraging



statement. Sharply higher interim profits pushed Northern Engineering up 6 to 133p and, buying in a thin market, prompted a rise of 10 to 136p in Baxters. Still hoping for early news of a possible U.S. defence contract, M.L. Holdings jumped 15 more to a 1978 peak of 156p, while B. Elliot put up 1/2 to 156p, mirroring the chairman's optimistic remarks at the annual meeting. Jas. Neill, 107p, and Haden Carver, 135p, rose 6 and 8 respectively. Baxters added 3 1/2 to 431p. Of the leaders, GKN moved forward 6 to 282p ahead of tomorrow's interim results and Vickers, at 211p, retrieved the previous day's fall of 4.

A good business was transacted in the Food sector and prices closed at or near the last. British Sugar rose 3 to a 1978 peak of 147p for a two-day improvement of 14, while Tate and Lyle, 122p, and Associated Dairies, 262p, put on 4 apiece. Baxters of York hardened 2 to 66p as did Fitch Lovell to 67p, but Danish Bacon A, lost 3 more to 110p on further consideration of the interim figures. Fildes put up 1/2 to 67p, but Danish Bacon A, lost 3 more to 110p on further consideration of the interim figures.

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FINANCIAL TIMES STOCK INDEX

	Sept. 13	Sept. 12	Sept. 11	Sept. 10	Sept. 9	Sept. 8
Government Secs.	70.73	70.40	70.44	70.57	70.35	70.38
Fixed Interest	71.96	71.75	71.82	71.84	71.74	71.86
Industrial	534.3	528.4	534.3	517.0	508.7	503.5
Gold Mines	182.5	179.7	175.5	175.1	181.5	186.9
Unit. Inv. Yield	5.05	5.11	5.13	5.19	5.19	5.30
Earnings, Ytd/Share	14.61	14.77	14.88	15.07	15.57	15.83
P/E Ratio (est/1978)	9.09	8.89	8.95	8.81	8.52	8.37
Debt/Equity Ratio	6.515	6.538	6.522	6.589	6.584	6.582
Equity Turnover (est)	17.604	18.821	16.232	15.371	15.388	

18 am 27.8, 11 am 30.1, Noon 32.5, 2 pm 34.3, 3 pm 32.8.

Based on 52 per cent corporation tax, 1 Nil=5.57.

Based on Govt. Secs. 15.10.26, Fixed Int. 15.24, Ind. Ord. 17.7/8.

Mines 12.9/33, SE Activity July-Dec. 1967.

HIGHS AND LOWS

	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471																																																																																																																						
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OFFSHORE AND OVERSEAS FUNDS

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New Life Assurance Co Ltd	Crown Life Assurance Co Ltd	Norfolk Life Assurance				
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CORAL INDEX: Close 533.538

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1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

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World Bank lending for energy to rise

BY OUR FOREIGN STAFF

WORLD BANK lending for oil and gas production in developing countries, whose energy import bill last year came to \$15bn (£7.5bn), might reach \$200m a year by the early 1980s, according to Bank officials.

That is the principal change in lending policy that emerges from the Bank's 1978 report, published today before its annual meeting in Washington this month.

In 1977-78 the World Bank and its two affiliates—the International Development Association, which provides concessional loans to the poorest countries, and the International Finance Corporation, which lends to the private sector in the Third World—made total lending and investment commitments of \$8.75bn, \$1.47bn more than in 1976-77.

Actual disbursements to developing countries fell slightly, however, to \$8.5bn, mainly because of teething troubles with some of the IDA's so-called "new style" agricultural projects. Thus the net benefit to developing

countries last year, subtracting repayments of earlier loans, was also down on the previous year to \$1.6bn.

The World Bank is moderately optimistic about growth prospects for developing countries and singles out the rapid pace at which their exports continued to increase last year. However, it says that in present international trading conditions their success is fragile.

Population

It also points to the disappointments of agricultural production, which has been barely keeping ahead of increases in population; of employment not keeping up with the expansion of the labour force; and of absolute poverty in Asia and Africa.

In a separate report the IFC gives a warning that the access of developing countries to the private financial markets will depend on changing economic conditions in the industrialised

world. Although it sees many positive features in the far closer links between developing nations and international banks, it notes that developing nations will need to maintain healthy rates of growth in gross national product and exports in order to continue to borrow and service their existing debt.

Their borrowing might also become much more expensive or more difficult to finance, it says, if higher interest rates and inflation were to emerge or the industrialised countries were to return in force to the capital markets.

In the World Bank's lending programme, rural development, which was declared by the Bank's president, Mr. Robert Macnamara, five years ago, to be the agency's chief target, continues to dominate the operations of the Bank and the IDA. Loans and investment of \$3.27bn were committed to agriculture last year.

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Details, Page 5

FINANCIAL TIMES

Thursday September 14 1978

Clydebank yard may be closed by Marathon

BY OUR GLASGOW CORRESPONDENT

MARATHON SHIPBUILDING, the Clydebank oil rig builder, will start running down its Clydebank yard from Christmas if no new orders are won. It has issued protective notices to its 300 hourly-paid employees and, without new work, the yard could be shut down by the end of March.

The decision, which comes 18 months after the Scottish Office rescued the company from closure by placing a £13m speculative rig order, brings another looming employment crisis to Clydebank, which is already facing the prospect of 3,000 lost jobs at the Singer sewing machine factory.

Marathon's shop stewards, who have been involved in several meetings with Ministers in the past few months, will explain their attitude on the company's future this morning.

The yard has not won any orders for its range of jack-up drilling rigs since the U.S. company took over the former John Brown's five-acre yard in 1972. It is deeply concerned about the new crisis and is trying to help secure new orders.

The Clydebank yard has three

prospects of winning a vital order before the redundancies deadline.

These involve a £16m to £17m jack-up rig being sought by the Indian Oil and Natural Gas Commission, a similar unit for the shipowners, H. Clarkson, and a rig to be used for production from Mesa's Beatrice field off Sutherland.

A Marathon team, including Mr. David Crawford, executive vice-president of the parent company in Houston, is in New Delhi negotiating the Indian order.

The Clydebank yard faces strong competition from Rotterdam's Dredging Shipyard BV of Holland, which is seeking an order to replace a cancelled barge contract. A decision is expected by the end of this month.

The Government, which has invested around £20m in Marathon since the U.S. company took over the former John Brown's yard in 1972, is deeply concerned about the new crisis and is trying to help secure new orders.

The Ministry for Overseas Development has offered India a grant to cover most of the cost of delivery next spring.

The Clydebank yard has three

£60m scheme to design fast tank for UK

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

THE UK is to spend £60m over the next two years on project definition for a new heavy battle tank to replace the Chieftain in the late 1980s.

Design, development and production is expected to cost more than £1bn altogether. More than 1,000 tanks have been ordered, providing employment for about 2,000 people in the Royal Ordnance Factories and another 10,000 workers among equipment suppliers in industry.

Announcing the decision yesterday, the Ministry of Defence made clear that the UK will work on project definition, including detailed design up to the prototype stage without international collaboration with NATO partners. That is not ruled out for later, however.

The present requirements of the U.S. and West Germany differ so substantially from those of the UK, in time-scale and the type of tank required, that the UK considers it better to work alone, to "maintain our industrial capability and expertise."

The U.S. is developing the Chrysler XM1 heavy main battle tank, and West Germany is developing the Leopard 2. Both will introduce some models into service by 1980, well before any Chieftain replacement can become available.

The tanks' guns also differ. The West Germans have devel-

oped a 120-millimetre smooth-bore gun for the Leopard 2 which the U.S. is studying for later models of the XM1, the early versions of which carry a 105-millimetre gun.

The U.K. is opting for a 120-millimetre rifled weapon for the Chieftain replacement, as that offers a greater choice of ammunition.

The engine for the new U.K. tank has yet to be chosen. Two options are available: a version of the CV-12 diesel engine developed by Rolls-Royce Motors; and the U.S. Avco Lycoming AGT-1500 gas-turbine engine also being developed for the XM1.

Further trials

Either could meet UK needs, and further trials will be held over the next few months, with a decision some time next year. If the U.S. engine is chosen, it might be made under licence in the UK.

The Ministry of Defence said that the UK would keep its NATO allies informed of progress with the new tank, and that also in any event try to harmonise components with our allies wherever possible. Particular consideration has already been given in this respect to the main armament and the power-pack, comprising engine and transmission. Where

collaboration is not possible, the UK will press ahead alone.

"For the UK, the advantages of standardisation are outweighed by operational considerations," the ministry said. In guns, for example, the rifled weapon would be more valuable to the British Army in the Northern Army Group of NATO, where tank armament would be diverse for many years "even if the UK used a smooth-bore gun."

Discussions on collaboration have produced no effective results, the ministry said, and it was time to go ahead alone. The successor to Chieftain needs to be in service by the late 1980s. The time-scale of the development programme is already tight, but we shall be able to draw on the proven expertise of UK industry in tanks and tank-gun design.

Few technical details of the new tank have been settled, but it is expected to have a top speed of more than 40 mph, against the Chieftain's 28 mph. It will be about the same weight as the Chieftain, but will have a power-to-weight ratio of 27 to 1, against the Chieftain's 13 to 1.

Mr. Steel is seizing the opportunity offered by the sanction-busting row, now that the Lib-Lab pact is over, to demonstrate his party's independence from both the Tories and Labour, both of whom have power in the period concerned.

After the trauma of the last two days over the arrival in Southampton today of Mr. Jeremy Thorpe, the former Liberal leader, the party has at last got down to its task at the Assembly of presenting distinct Liberal policies and a fresh image of itself.

Morale received a welcome fillip last night with news of Mr. Cyril Smith's return to the party's front bench team as employment spokesman. The MP for Rochdale gave up the post a year ago in protest at the Parliamentary alliance with Labour.

Mr. Smith, a focus of anti-pact

presented at the inquiry," he said. Explaining the need for a new approach to such issues, Mr. Shore said about 5,000 inquiries were held each year of which a few hundred would be highly significant to a locality, and perhaps two or three would affect the national well-being.

Present procedures, tried and tested over the last 20 years, had ensured that decisions in most cases were effective, fair and accepted, but in recent times some criticisms had been made. Critics sometimes questioned whether the need for a development had been established, and whether wider implications of certain proposed developments had been sufficiently considered.

There was general recognition too that big nuclear innovations were in a special category of importance and difficulty, because they involved technological judgment of great complexity and could affect future generations.

News Analysis, Page 6

Rhodesia oil inquiry demand by Liberals

BY RUPERT CORNWELL

THE LIBERALS are demanding a full public inquiry into the Rhodesia oil sanction scandal.

Mr. David Steel, the Liberal leader, served notice last Monday to the Foreign Secretary, Dr. David Owen, of his intention, even if a tribunal led to some people's freedom of access to the Whitehall, to demand a full public inquiry into the Rhodesia oil sanction scandal.

The indications in Whitehall last night were that numerous Ministers now feel that a further inquiry will be necessary to clear the political atmosphere. However, the issue does not appear to have been fully discussed in Cabinet and no final decisions have been taken.

Mr. Steel told the Liberal Assembly in Southampton yesterday that there was a clear case for an open inquiry—and not just the prosecution of certain oil company officials—over an alleged deal for much of the past 12 years in which a British taxpayer £200m as a result of the ineffective Beira blockade imposed by the Wilson Government.

Submission

In a submission to the inquiry headed by Mr. Thomas Bingham, QC, into alleged sanctions-breaking by UK oil companies, BP announced that for much of the past 12 years it had knowingly supplied oil products to Rhodesia.

The report by Mr. Bingham, already submitted to the Director of Public Prosecutions, will be published on Tuesday, the Foreign Office said yesterday.

In his letter, which shareholders received yesterday, Sir David says that the company's submission to the inquiry was a "frank and full description of the highly complicated problems we faced in the changing context of the last 12 years and how we handled them."

"I do not believe that taken as a whole the story it tells is discreditable to BP," he says.

Sir David has told employees and shareholders: "I am very sorry that you and your families and friends should have been put to all this worry and concern over the allegations and insinuations against BP and its management which have appeared publicly over recent weeks on the subject of sanctions against Rhodesia."

Conference Report, Page 7
Rhodesian arrests Page 5

Peugeot pledge on Chrysler's future

BY ALAN PIKE, LABOUR CORRESPONDENT

BRITISH GOVERNMENT approval for the Peugeot-Citroen take-over of Chrysler in Europe came closer last night after union leaders said they were "reasonably satisfied" with assurances from the French company.

During a two-hour meeting with Peugeot-Citroen management in London, union leaders were told that no plant closures or loss of job opportunities were contemplated at present. They were also promised two Government-nominated directors on the board company running Chrysler UK after the take-over.

Last night the union leaders met Mr. Eric Varley, Industry Secretary. They repeated demands for a British equity stake in Peugeot-Citroen and a Government-nominated director on the company's main Board—a point on which they failed to make progress during their talks with French management.

M. Jean-Paul Parayre, president of Peugeot-Citroen, did not attend yesterday's meeting with the unions. He is apparently not involved in talks until the British Government has approved the take-over, at the earliest.

feelings among Liberal activists over the last 12 months, last night, he said, his fellow Liberals to unite behind Mr. Steel to fight the general election.

Earlier, Mr. Steel had denounced the sanction-breaking as "an appalling example of Government secrecy," where publicly declared policy had been infringed by oil companies, officials, and Ministers.

Kevin Done writes: Sir David Steel, chairman of British Petroleum, has written to all company employees and shareholders defending the role the company has played in supplying oil to Rhodesia in apparent defiance of UK sanctions orders.

Submission

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Rhodesian arrests Page 5

THE LEX COLUMN

Shares jump on trading news

Yesterday's rise of 7.9 points in the 30-Share Index owed a lot to profits news from two of its constituents, UDS and Turner and Newall. The latter's half-time profits decline from £23.2m to £21.5m pre-tax came as no disappointment to the market which had been primed in April at the time of T and N's rights issue. The shares put on 10p to 190p.

The figures reflect a poor performance by T and N's established businesses and only small benefits from new acquisitions. Margins were particularly badly hit by sluggish sales in the industrial materials business.

Meanwhile Storey Bros., the plastic and decorative products company acquired last year, produced sharply lower profits.

Though Hunt, the major U.S. acquisition, came up to scratch, T and N's takeover spree last autumn has contributed a net £600,000 to half-time earnings for a total outlay of well over £50m. The combined result is that return on average capital employed was under 15 per cent during the first half compared with 20 per cent last year, and earnings per share are down 40 per cent.

The worst now seems to be over. The industrial materials business is picking up, and Hunt's expectations for the second half are high. If the general improvement holds, profits of £46m should be attainable, marginally up on last year. As a result of the rights issue the balance sheet is solid and the shares are sustained by their assured yield for this year of 9 per cent.

UDS

The profits recovery at UDS is proving to be even sharper than expected. Interim pre-tax profits are more than doubled at £9.1m and for the full year the group should comfortably improve on the 1975 profit peak of £25.7m. The recovery is primarily centred on the multiple shops where a combination of the earlier rationalisation of menswear production capacity and a surge in sales volume of around a tenth is feeding straight through into profits.

However, the department store side is also showing above average growth as is the credit retailing operation. The group is confident that the sort of sales volume it is currently experiencing will continue into the second half and it believes there is still plenty of recovery potential in the menswear side. Assuming earnings

figures are right in the middle of what the stock market has been expecting, pre-tax profits at £17.2m are reported as being only 6 per cent better than last time. But after excluding a series of exceptional items which boosted the 1977 profit the underlying pre-tax increase is more like a third—or just

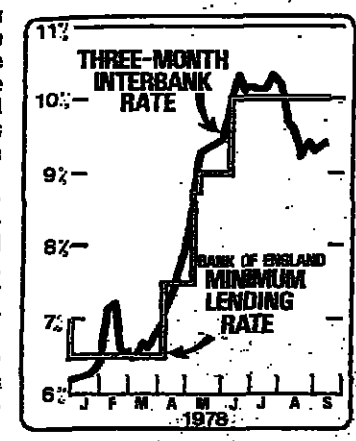
Babcock & Wilcox

Babcock and Wilcox's interim figures are right in the middle of what the stock market has been expecting. Pre-tax profits at £17.2m are reported as being only 6 per cent better than last time. But after excluding a series of exceptional items which boosted the 1977 profit the underlying pre-tax increase is more like a third—or just

Shipping losses have lapsed from £20m in the first 1977 to £18m in the second and now £12m in the last year. But in the absence of more cancellations of charters they could still be around the £22 million level. Having a lull in its second U.S. summer, Burmah's depreciation charges are while Castrol's profits have been severe pressure.

Against this, the Tui field is beginning to have impact (say £1m in the half), and the Pertamina trade is building up. Burmah will have to move tanker charters by can start paying out a bit. The shares closed 3p in 82p last night, capitals group at £118m.

Index rose 7.9 to 534.3



per share of 8.5p the shares are selling on a prospective fully taxed multiple of just under 13. Time for a rights issue?

Northern Eng.

Northern Engineering's interim profits are £3.9m higher at £15.6m pre-tax, with roughly £2m of the increase coming from acquisitions, and group profits in the second half are likely to be rather higher than in the first. Last year's pre-tax total was £25.2m. Further progress is likely in 1979, and the well aired problems of the power station boiler and turbine generator businesses are being pushed into the background, at least for the moment.

On the boiler side the big Gateshead factory, has work in hand for about 18 months, and in generators Northern is optimistic about the outcome of a number of recent overseas tenders. It says that its new ability to bid for complete turnkey contracts is already bringing benefits, and it is also hopeful about the scope for a closer working relationship with Combustion Engineering of the U.S. At 132p, the prospective P/E at a near normal tax charge could be about 5½, and a 25 per cent increase in the dividend would leave a yield of 8.7 per cent.

Burmah Oil

The Burmah Oil share has nearly doubled since Spring as the punters increasingly optimistic recovery prospects. However interim figures show that it is still a very long way from a small pre-tax profit. A small pre-tax profit turns into a loss after £5.0m and for the full year looks as if the group, no more than break even after tax level.

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Weather

UK TODAY
DRY with sunny intervals, some rain.

London, SE England, Channel Islands
Dry, sunny periods, some rain. Max. 20C (68F).

E Anglia, E Midlands, Cent, S, E Kent, N, NE England, Borders, Edinburgh, Dundee, Aberdeen
Dry, sunny periods. Max. 19C (66F).

W Midlands, SW England, Wales, NW England, Lakes
Dry, sunny intervals. Max. 18C (64F).

Isle of Man, SW Scotland, Glasgow, N Ireland
Sunny intervals, showers. Max. 16C (61F).

Highlands, Argyll, NW Scotland
Sunny intervals, cloud, some rain. Max. 15C (59F).

Moray Firth, NE Scotland, Orkney, Shetland
Cloudy, showers. Max. 15C (59F).

Outlook: Mainly dry and sunny. Some rain in the north.

BUSINESS CENTRES

City	Today	Yesterday	Monday
Amsterdam	15.45	15.45	15.45
Antwerp	15.45	15.45	15.45
Bahia	15.45	15.45	15.45
Bombay	15.45	15.45	15.45
Buenos Aires	15.45	15.45	15.45
Calcutta	15.45	15.45	15.45
Canton	15.45	15.45	15.45
Cebu	15.45	15.45	15.45
Colon	15.45	15.45	15.45
Hankow	15.45	15.45	15.45
Hong Kong	15.45	15.45	15.45
Kobe	15.45	15.45	15.45
London	15.45	15.45	15.45
Lyons	15.45	15.45	15.45
Manila	15.45	15.45	15.45
Medan	15.45	15.45	15.45
Osaka	15.45	15.45	15.45
Paris	15.45	15.45	15.45
Perth	15.45	15.45	15.45
Rangoon	15.45	15.45	15.45
San Francisco	15.45	15.45	15.45
Singapore	15.45	15.45	15.45
Sourabaya	15.45	15.45	15.45
Tokyo	15.45	15.45	15.45
Yokohama	15.45	15.45	15.45

HOLIDAY RESORTS

City	Today	Yesterday	Monday
Amsterdam	15.45	15.45	15.45
Antwerp	15.45	15.45	15.45
Bahia	15.45	15.45	15.45
Bombay	15.45	15.45	15.45
Buenos Aires	15.45	15.45	15.45
Calcutta	15.45	15.45	15.45
Canton	15.45	15.45	15.45
Cebu	15.45	15.45	15.45
Colon	15.45	15.45	15.45
Hankow	15.45	15.45	15.45
Hong Kong	15.45	15.45	15.45
Kobe	15.45	15.45	15.45
London	15.45	15.45	15.45
Lyons	15.45	15.45	15.45
Manila	15.45	15.45	15.45
Medan	15.45	15.45	15.45
Osaka	15.45	15.45	15.45
Paris	15.45	15.45	15.45
Perth	15.45	15.45	15.45
Rangoon	15.45	15.45	15.45
San Francisco	15.45	15.45	15.45
Singapore	15.45	15.45	15.45
Sourabaya	15.45	15.45	15.45
Tokyo	15.45	15.45	15.45
Yokohama	15.45	15.45	15.45

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